

1 House BILL NO. 377
2 INTRODUCED BY Hamilton Druvel
3

4 A BILL FOR AN ACT ENTITLED: "AN ACT INCREASING THE ROLLEBACK
5 PERIOD IN THE GREENBELT TAX PROGRAM FROM FOUR (4) TO TEN
6 (10) YEARS; AMENDING SECTION 84-437.4, R.C.M. 1947."
7

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

9 Section 1. Section 84-437.4, R.C.M. 1947, is amended
10 to read as follows:

11 "84-437.4. Roll-back tax--computation. When land which
12 is or has been in agricultural use and is or has been
13 valued, assessed and taxed under the provisions of this act,
14 is applied to a use other than agricultural, it shall be
15 subject to an additional tax hereinafter referred to as the
16 "roll-back tax," which tax shall be a lien upon the land and
17 become due and payable at the time of the change in use.

18 As used in this act, the word "roll-back" means the
19 period preceding the change in use of the land not to exceed
20 ~~four~~ ten (10) years during which the land was valued,
21 assessed and taxed under the provisions of this act.

22 The assessor shall ascertain the following in
23 determining the amount of the roll-back tax chargeable on
24 land which has undergone a change in use:

25 (1) the full and fair value of the land as determined

1 by the department of revenue under the valuation standard
2 applicable to land in the county not valued, assessed and
3 taxed under the provisions of this act;

4 (2) the amount of the land assessment as unsubdivided
5 and unimproved land for the period of the roll-back, by
6 multiplying such full and fair market value by the number of
7 years included in the roll-back and by multiplying the
8 product obtained, by the assessment ratio in effect in the
9 year in which the change in use of the land is made as
10 determined by the state;

11 (3) the average mill levy applied in the taxing
12 district in which the land is located by dividing the
13 aggregate mill levy actually applied in each respective year
14 of the roll-back by the number of years, included in the
15 roll-back; and

16 (4) the amount of the roll-back tax by multiplying the
17 taxable value computed from the amount of the assessment
18 determined under subsection (2) hereof by the average mill
19 levy determined under subsection (3) hereof, less the amount
20 of real property taxes actually paid during the period of
21 the roll-back."

-End-

STATE OF MONTANA

REQUEST NO. 120-75

FISCAL NOTE

Form BD-15

In compliance with a written request received January 29, 19 75, there is hereby submitted a Fiscal Note for House Bill 377 pursuant to Chapter 53, Laws of Montana, 1965 - Thirty-Ninth Legislative Assembly.

Background information used in developing this Fiscal Note is available from the Office of Budget and Program Planning, to members of the Legislature upon request.

DESCRIPTION OF PROPOSED LEGISLATION:

An act increasing the rollback period for computation of the rollback tax on formerly agricultural land from four to ten years.

FISCAL IMPACT:

The Greenbelt law (enacted, 1973) provided a non-retroactive tax on land that has been changed from agricultural use to other use. Thus, in first year of the law (FY 74) a one year period was used for computing the rollback tax. In the second year, a two year period is used and so on until the fourth year (FY77). Under current law, the 4 year rollback period would then continue for years after FY 77.

Under proposed law, a five year period would be used in FY 78 and the pattern would continue until FY 83. Thus, there would be no impact on property tax revenues until FY 78. The long term impact will be progressively higher rollback taxes but it is not possible to provide a quantitative estimate of such.



BUDGET DIRECTOR

Office of Budget and Program Planning

Date: February 3, 1975