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Holmes

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1 foremost in determining the state growth pattern;

2 (2) allow taxation on land and structures to be based

3 on proper land utilization; providing for tax incentives for

4 proper land utilization and tax increases for land

5 developmental abuse;

6 (3) create a land use policy which does not block

7 economic progress, but rather the development of a program

8 which will meet the social and economic standards

9 necessarily brought about through economic progress;

10 (4) develop a program which protects our state's

11 beauty and natural features as well as our heritage of

12 agricultural wealth by curbing urban sprawl; and

13 (5) institute a land-use system growth program which

14 reduces zoning and unnecessary governmental regulation,

15 which is structured through local control, and one which is

16 not to be final in action, but rather one of continuing

17 action, whereby land use decisions can continually be

18 re-evaluated.

19 Section 3. Purpose. Montanans are faced with a nation

20 hungry for timber, coal, minerals, and recreation

21 opportunities, causing a future in Montana whose heritage

22 appears headed for rapid development and growth. This act,

23 therefore, is designed to meet Montana's needs in a unique

24 way; by reducing the need for zoning and other land control

25 measures and placing our future development under a free

1 INTRODUCTION

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6 LOCAL GOVERNMENTAL CONTROL, BASED ON LAND GROWTH PATTERNS

7 ESTABLISHED THROUGH ECONOMIC VALUE AS A SUPPLEMENT TO ZONING

8 WITH ECONOMIC INDUCEMENTS AND PENALTIES; PROVIDING

9 AUTHORIZATION TO LOCAL GOVERNMENTS TO DEVELOP PLANNED

10 DEVELOPMENT PROCEDURES; AND PROVIDING STANDARDS OF LAND

11 USAGE."

12

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

14 Section 1. Citation. This act may be cited as "The

15 Montana Economic Land Development Act".

16 Section 2. Policy. The legislature finds that we as a

17 state are currently facing problems in our economic

18 development that will not only cause concern to our state's

19 future but also cut backs in our state's growth and

20 currently lack to proper development. Inasmuch as many of

21 these economic concerns are based on land use decisions, the

22 state should develop a land use policy which will direct

23 Montana's land use growth through the enactment of a program

24 which will:

25 (1) enable local control and local decisions to be

1 market system controlled not by land regulation, but by
2 economics. Specific goals are:

3 (1) to protect prime agricultural land as it is the
4 backbone of today's Montana economy and the heart of
5 tomorrow's need for a well-fed and healthy economy, keeping
6 Montana's position, in the future, as the bread basket of
7 the nation;

8 (2) to encourage urban growth in an inward pattern,
9 rather than a sprawl development, yet through the use of
10 open space provide a greater percentage of open land and a
11 higher density on developed land within the urban area;

12 (3) to guide industrial and commercial development in
13 Montana;

14 (4) to develop a program which is controlled and
15 directed on a local level, within the actual land use
16 direction and classification left wherever possible with the
17 local land owner; and

18 (5) in general, to provide for Montana a land use
19 directional policy which will not regulate our future but
20 rather motivate it into a pattern of desirable economic
21 growth based on the development of private enterprise.

22 Section 4. Definitions. As used in this act:

23 (1) "Land density" means the number of persons living
24 on the land based on those established as permanent
25 residents. The land density value shall be based on any

1 combination of land area to bring about the largest
2 possibility of residents per acre.

3 (2) "Agricultural land" means land which is currently
4 being used or could be used for floriculture, horticulture,
5 general farming, dairying, poultry raising, stock raising,
6 and other agricultural related uses, including, but not
7 limited to, buildings and activities.

8 (3) "Developed land" means land developed or used for
9 residential industrial or commercial use.

10 (4) "Urban land" means land which is developed for the
11 purpose of providing community or regional trade centers,
12 whether incorporated or unincorporated, generally considered
13 commercial centers as defined by the local governing body.

14 (5) "Productive land" means the following land with a
15 potential for profitability being used for profit:

16 (a) irrigated cropland;

17 (b) non-irrigated cropland;

18 (c) pasture;

19 (d) range;

20 (e) irrigated native grassland;

21 (f) forest and woodland;

22 (g) other land which could be used for the production
23 of food and fibre for profit.

24 (6) "Nonproductive land" means land which will not
25 support growth for the production of food and fibre for

1 profit.

2 (7) "Open space" means land as defined in section

3 62-603.

4 (8) "Planned development" means the development of a

5 piece of land in such a manner that is determined by the

6 governing body to entail the highest and best possible

7 development for that land, in a manner encouraging open

8 space and high density use.

9 (9) "Governing body" means the board of county

10 commissioners or the city council of incorporated cities in

11 which the land lays. If the land under question is in more

12 than one (1) county, the governing body of each county shall

13 be represented by one (1) or more of their membership on a

14 regional basis, and in equal numbers from each county.

15 (10) "Industrial" refers to a district or use in which

16 the principal use of the land shall be for the manufacturing

17 or conversion of a material or product into a secondary

18 usage for sale or profit. Specific uses shall include

19 manufacturing, processing, dismantling, reining,

20 production, and mining.

21 (11) "Recreational" means land or portions of land

22 primarily designated as space for outdoor activities

23 conducted by individuals for fun and relaxation, including,

24 but not limited to, organized sports, games, hunting,

25 fishing, hiking, backpacking, swimming, and other related

1 outdoor activities.

2 (12) "Residential" refers to a district or portion of

3 land in which the principal use of the land is for

4 residential construction, habitat and land development of

5 varying densities designed to meet contemporary building and

6 living standards.

7 (13) "Taxable value" means actual value less forty

8 percent (40%).

9 (14) "Construction period" means that period designated

10 by the issuance of a building permit, or in the case where

11 building permits are not granted, the breaking of ground for

12 construction purposes.

13 (15) "Economic benefit" means the development of, or

14 expansion of, an existing facility which through the

15 provision of jobs or new taxable base, provides additional

16 economic opportunity within an area for the citizens of the

17 state and its owners.

18 (16) "Budget period" means the period of time, from the

19 start to finish of a growing season for agricultural land,

20 or the construction period in the case of a new or

21 recommended construction.

22 (17) "State administering agency" the department of

23 intergovernmental relations and the department of revenue

24 acting jointly to administer this act. All planning

25 functions required to administer this act shall be assigned

1 profit.

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3 62-603.

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5 piece of land in such a manner that is determined by the

6 governing body to entail the highest and best possible

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25 fishing, hiking, backpacking, swimming, and other related

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1 to the department of intergovernmental relations and all
 2 taxation responsibilities shall be assigned to the
 3 department of revenue.

4 (18) "Roll back" means the rolling back of a period of
 5 years for tax purposes. The taxes to be paid during this
 6 roll back period being the difference paid from the normal
 7 appraisal value and the appraised value determined by this
 8 act.

9 (20) "Single family" is a designation given to
 10 residential land whereby only one (1) family lives in each
 11 structure erected or existing upon the land.

12 (21) "Multifamily" is a designation given to
 13 residential land whereby more than one (1) family lives in
 14 each structure existing, remodeled, or built upon a given
 15 piece of land.

16 (22) "Remodeling" means the changing in value of a
 17 structure, building, or other man-made object either through
 18 painting, reconstruction, or other manner wherein its value
 19 is increased one percent (1%) or more, said increase in
 20 value to be determined by the governing body after the
 21 proposed change or alteration is made.

22 Section 5. Operation. (1) Within two (2) years of
 23 the passage of this act the governing body shall set
 24 standards wherein their jurisdictional area is classified
 25 into general areas described in this section. The

1 classification by the governing body shall be made after the
 2 following steps have been taken regarding the lands in their
 3 jurisdictional areas:

4 (a) a complete inventory of the land and its usage by
 5 the governing body, including:

6 (i) land types, based on federal standards;

7 (ii) the flood-plain of all streams and rivers;

8 (iii) current vegetation patterns, i.e., crop land,
 9 irrigated land, range land, nonproductive land;

10 (iv) developed land; and

11 (v) all federal, state, or Indian land.

12 Decisions shall be coordinated with the department of
 13 revenue.

14 (2) After collection of this data it shall be
 15 displayed in public for a minimum of thirty (30) days.
 16 During the period the material is displayed there shall be
 17 notification made of a public meeting at which time the
 18 materials will be displayed, described, and the method of
 19 classification will be explained to the general public. Any
 20 changes of land classification suggested shall be taken
 21 under advisement by the governing body and at their
 22 discretion be encompassed into the land classification.

23 (3) Within one hundred twenty (120) days of the
 24 classification the governing body shall indicate on a map
 25 the proposed land classification for all the land in their

1 jurisdictional area and so notify all land owners in the
 2 jurisdictional area, by registered mail. This notification
 3 shall include, but not be limited to:

- 4 (a) the classification, or classifications, given the
- 5 individual land owners' land;
- 6 (b) the meaning of the classification; and
- 7 (c) a time and place for a hearing, within the next
- 8 thirty (30) days to have public meetings to discuss the
- 9 general classification(s).

10 (4) Following the public meeting the governing body
 11 may or may not reclassify any land to follow request made at
 12 the meeting.

13 (5) A final land use plan shall then be prepared by
 14 the governing body, which plan shall reflect a combination
 15 of existing uses of land in a manner which through prudent
 16 use encompasses both growth and conservation. This plan
 17 shall then be submitted to the state administration agency
 18 not later than January 2, 1978. If a city or county has
 19 failed to prepare this classification within the required
 20 time, the department of intergovernmental relations or its
 21 agent shall prepare the classification. The categories are:

- 22 (a) agricultural;
- 23 (b) recreational;
- 24 (c) residential;
- 25 (d) commercial;

1 (e) industrial; and
 2 (f) open space.

3 Section 6. Classification. The department of
 4 intergovernmental relations shall conduct hearings upon the
 5 classifications of land according to desirable use proposed
 6 by each governing body within the county and shall, after
 7 considering the record of such hearings, make the final
 8 classification of the desirable usage of land in each county
 9 as proposed by the governing body if such proposals are in
 10 accordance with the following criteria:

11 (1) Taxable land shall be classified as agricultural
 12 when such action would:

- 13 (a) encourage the preservation of prime agricultural
- 14 soils, or
- 15 (b) encourage the preservation of those limited areas
- 16 of the state which contain the proper combination of soil
- 17 and topographical characteristics necessary for intense
- 18 agricultural development, or
- 19 (c) discourage those uses and activities which are
- 20 incompatible with the rural character of a district, or
- 21 (d) provide minimal development standards which would
- 22 assure the continuation of the open and rural character of
- 23 the district and permit only those uses and activities which
- 24 are compatible with this rural character.

25 (2) Taxable land shall be classified as recreational

1 when such action would:

2 (a) discourage those uses and activities which would

3 create congestion, noise, or hazards incompatible with

4 recreation activities established on the land, or

5 (b) encourage the continuation or initiation of

6 outdoor recreation on suitable lands.

7 (3) Taxable land shall be classified as residential

8 when such action would:

9 (a) conserve the character of established residential

10 neighborhoods as has been done by municipal zoning, or

11 (b) encourage the growth of cities and towns in

12 efficient patterns while discouraging wasteful urban sprawl,

13 or

14 (c) open new lands to residential areas provided such

15 usage consists of utility expansion, streets, and other

16 needed and related facilities such as schools and commercial

17 developments, if such development is considered necessary by

18 the governing body.

19 (4) Taxable land shall be classified as industrial

20 when such action would:

21 (a) be in character with existing uses, or

22 (b) shield the surrounding area from noise, glare,

23 pollution, or other actions or activities objectionable to

24 the general public, or

25 (c) provide areas of land contiguous rather than

1 spread over the community or area and located in such

2 locations where the prevailing wind and water flow pattern

3 is favorable to the inhabitants of the area.

4 (5) Taxable land shall be classified as commercial

5 when:

6 (a) it would be in character with existing uses, or

7 (b) it is located in such a pattern or manner to

8 provide needed services to a growing community, or

9 (c) its highest and best use is determined to be

10 commercial, said usage being based on decisions of mutual

11 advantage of both customers and merchants, or

12 (d) when the classification of the land will promote

13 the most desirable developments in each area, conserve the

14 value of land, and thus promote public safety, convenience,

15 prosperity, and welfare.

16 (6) Taxable land may be taken from the tax base and

17 classified open space, whether public or private, when:

18 (a) it is to the public benefit to provide for the

19 preservation of permanent open space, green belts, or

20 similar landscape features, or

21 (b) such action will provide land to screen or

22 otherwise hide through visual control objectionable man-made

23 features, or

24 (c) such action will provide land to encourage,

25 assist, and provide means for more desirable urban and rural

1 developments.

2 (7) Such classifications of desirable use shall be

3 accepted by the department of revenue.

4 Section 7. Management of classified area. Once land

5 is classified into a taxable classification, it shall be

6 managed by the governing body to encourage its continued

7 usage in that classification. Changes in classification

8 shall be subject to review by the department, however, the

9 department cannot override the decision of the department

10 without cause, items for cause being:

11 (1) that the intended use in the reclassification of

12 agricultural land would not be to the benefit of the general

13 community because it would not:

14 (a) assure that those portions of the state containing

15 prime agricultural soils would be preserved for agricultural

16 purposes, or

17 (b) encourage the use and preservation of those

18 limited and irreplaceable portions of the state which

19 contain the proper combination of soil and topographical

20 characteristics for intense agricultural development, or

21 (c) prohibit uses of the land which would interfere

22 with the development or continuation of agricultural uses in

23 the area.

24 (2) That the intended use in the reclassification of

25 recreational land would not be to the benefit of the general

1 community because it would not:

2 (a) protect recreational development, so far as is

3 possible and appropriate in each area, against the

4 establishment of uses which would create hazards, offensive

5 noise, or offensive activities, or

6 (b) protect existing recreational development against

7 congestion, so far as is possible and diminish its

8 effectiveness as a recreational unit.

9 (3) That the intended use by reclassification of

10 residential land would not be to the benefit of the general

11 community because it would not:

12 (a) encourage the construction or, and the continued

13 use of, the land for various residential purposes, if in

14 fact this was its best and natural usage, or

15 (b) prohibit commercial and industrial uses of the

16 land and to prohibit any other use which would substantially

17 interfere with the development or continuation of

18 residential uses, or

19 (c) prohibit any use which because of its character or

20 size creates requirements and costs for public services,

21 such as police and fire protection, water supply and sewage

22 facilities, substantially in excess of such requirements and

23 costs if the district were developed solely for residential

24 purposes.

25 (4) That the intended use by reclassification of any

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1 land category to industrial land would not be to the benefit
 2 of the general community because its reclassification would
 3 not:

- 4 (a) provide facilities to minimize traffic congestion,
- 5 or
- 6 (b) provide for facilities and the operation of
- 7 industries which minimize noise, glare, air pollution, water
- 8 pollution, and fire and safety hazards in industrial
- 9 districts, or

10 (c) provide beneficial, social, and economic pattern
 11 of growth for the area in which the land so classified
 12 occurs, or

- 13 (d) provide protection from offensive noise,
- 14 vibration, smoke, dust, odors, heat, glare, or other
- 15 objectionable influences.

16 (5) That the intended use by reclassification of any
 17 land category to commercial land would not be to the benefit
 18 of the general community because its reclassification would

19 not:
 20 (a) provide protection from offensive noise,

21 vibration, smoke, and heavy traffic, or
 22 (b) provide sufficient space in appropriate locations
 23 for the transaction of all types of commercial and
 24 miscellaneous service activities in beneficial relation to
 25 one another, and thus to strengthen the economic base of the

1 community, or

2 (c) provide appropriate space, and in particular
 3 sufficient depth from the street, to satisfy the needs of
 4 modern commercial development, including the need for
 5 off-street parking in areas where a large proportion of
 6 customers come by automobile, or

7 (d) encourage the tendency of commercial development
 8 to concentrate, to the mutual advantage of both customers
 9 and merchants, and the urban pattern of growth.

10 (6) Once classified as open space, no land so
 11 classified may be reclassified until the provisions of
 12 section 62-603 have been met.

13 Section 8. Subclassification of land. Under the
 14 provisions of this act the land outside the jurisdictional
 15 boundary of a city or town, which is classified either
 16 agricultural or recreational may be subclassified by the
 17 owner subject to the terms of sections 9 and 10.

18 Section 9. Subclassification by owners of taxable land
 19 classified as agricultural. (1) Within twelve (12) months
 20 following the classification of taxable land as
 21 agricultural, an owner thereof shall elect to subclassify
 22 his lands into classes A, B, C, or D, or any combination
 23 thereof. The department of revenue, upon receipt of the
 24 owner's election, shall revise the previously appraised
 25 value of such lands as follows:

1 Class A — appraisals shall be reduced ten percent
 2 (10%) from their levels immediately preceding;
 3 Class B — appraisals shall be reduced five percent
 4 (5%) from their levels immediately preceding;
 5 Class C — appraisals shall be reduced two percent (2%)
 6 from their levels immediately preceding;
 7 Class D — appraisals shall be increased ten percent
 8 (10%) from their levels immediately preceding, and may be
 9 revalued in future years as provided by law to reflect
 10 market value.
 11 (2) The owner of class A land, his heirs, successors,
 12 or assigns, may not convert the use of such lands to any
 13 nonagricultural purpose for fifty (50) years, nor may the
 14 subclassification be changed for fifty (50) years.
 15 (3) The owner of class B land, his heirs, successors,
 16 or assigns, may not convert the use of such land to any
 17 nonagricultural purpose for ten (10) years, nor may the
 18 subclassification be changed for ten (10) years.

19 (4) The owner of class C land, his heirs, successors,
 20 or assigns, may change the subclassification within the
 21 agricultural classification at any time, and may petition
 22 the department of revenue at any time for reclassification
 23 into another category. The department may grant this
 24 petition upon payment by the petitioner of the difference in
 25 taxes which would have been paid since the subclassification

1 or ten (10) years, whichever is less, if during that period
 2 the land has been subclassified as class D.
 3 (5) The owner of class B land, his heirs, successors,
 4 or assigns, may petition the department of revenue for
 5 reclassification into another category at any time, which
 6 petition shall be granted.
 7 (6) If a voluntary subclassification of land has not
 8 been made by the owner of record within the one (1) year
 9 period, the department of revenue shall automatically place
 10 the land in class D and it shall remain in this
 11 classification until the owner requests its placement into a
 12 different classification.

13 Section 10. Subclassification by owners of taxable
 14 land classified as recreational. (1) Within twelve (12)
 15 months following the classification of taxable land as
 16 recreational, an owner thereof shall elect to subclassify
 17 any or all of his lands into class A, class B, or a
 18 combination of the two.

19 (2) The department shall appraise class B lands at
 20 their market value as recreational lands.

21 (3) The department of revenue, upon receipt of the
 22 owner's election, shall reduce the previously appraised
 23 value of class A lands that portion assigned to recreation
 24 by twenty-five percent (25%) and shall thereafter maintain
 25 such appraisals at seventy-five percent (75%) of the value

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1 which the land would have if it were class B.
2 (4) The owner of class A land, his heirs, successors,
3 and assigns, shall agree with the department of fish and
4 game for a minimum of ten (10) years to permit public access
5 across the land for outdoor recreational purposes, subject
6 to such limitations for the protection of the land and the
7 privacy of the persons residing thereon as the owner may
8 stipulate. If this agreement or a renewal thereof is not in
9 force, the subclassification of the land reverts to class B.
10 The owners of class A recreational land, his heirs,
11 successors, and assigns may not change the use of such land
12 to any purpose incompatible with established recreational
13 uses during the term of an agreement with the department of
14 fish and game.
15 (5) The owner of class B land, his heirs, successors,
16 and assigns, may petition the department for
17 reclassification into another category at any time, which
18 petition shall be granted.
19 Section 11. Valuation of residential land. After
20 classification as residential land, whether occupied or not,
21 shall not change in value for tax purposes unless it ceets
22 or is governed by the following provisions:
23 (1) Class A -- existing residential. Tax valuation
24 changes shall be made in the following manner:
25 (a) If the existing usage is expanded or remodeled to

1 expand land densities to the conditions of class C new
2 residential (multifamily) shall be followed.
3 (b) If existing residential property is remodeled to
4 increase its valuation, or if a totally new development
5 occurs, a tax credit in the amount of the remodeling or
6 development costs shall apply for the first five (5) years
7 after the remodeling or development, reducing in an amount
8 of twenty percent (20%) per year for the five (5) year
9 period.
10 (c) Residential land whose usage is altered to one
11 other than residential shall be taxed at forty percent (40%)
12 over the normal for that usage in the state, unless the
13 change is approved by the governing body. This increase
14 shall apply for the first ten (10) years, after which no
15 additional tax shall be levied. If said improvement is
16 approved by the governing body, it shall be taxed as
17 described in section 6, subsection 4.
18 (d) If residential land is transferred from this
19 category to any class of agricultural land, after the
20 enactment of this act, there shall be an immediate tax
21 relief directly proportionate to the class of the land into
22 which the transferred land is reclassified.
23 (2) Class B - new residential (single family). Any
24 land which is converted to new residential shall be
25 classified as follows:

1 (a) Land transferred from productive land shall be
2 taxed in accordance with the appropriate sections of this
3 act with the following exceptions:
4 (i) Land indicated as a planned unit developed and
5 approved by the governing body shall be classified for tax
6 purposes at ten percent (10%) below the normal tax in the
7 area for similar developments.
8 (ii) Land transferred from nonproductive land to
9 residential purposes shall be classified at the time of
10 transfer in an amount to decrease the tax valuation as
11 follows:
12 Land within the 20% a year for
13 jurisdictional a period of 5
14 4-1/2 mile limit years
15 of a community 10% a year for
16 Land within a a period of 5
17 limit of 4-1/2 miles years
18 to 10 miles from
19 the jurisdictional limit
20 Land beyond the 5% a year for
21 14-1/2 mile limit a period of 5 years
22 (iii) Land taken out of production and transferred to
23 residential shall in addition to any other provision of this
24 act to increase taxable valuation in the following amounts:
25 Land within the 2% a year for

1 Jurisdictional a period of 10
2 4-1/2 mile limit years
3 of a community 20% a year for
4 Land within a a period of 10
5 limit of 4-1/2 miles years
6 to 10 miles from
7 the jurisdictional limit
8 Land beyond the 50% a year for
9 14-1/2 mile limit a period of 10
10 years
11 (3) Class C - new residential (multifamily). Land
12 which is transferred from any use to multifamily in addition
13 to any other provision of this act shall be classified as
14 follows:
15 Highest density of area Change in Appraised value of
16 the land is reclassified appraised the improvement
17 from is contiguous to land over base
18 0--10% +50% +50%
19 .10--20% +40% +25%
20 .20--1.0% +30% +25%
21 1.0--2.0% +10% + 2%
22 2.0--3.0% No change No change
23 3.0--4.0% -10% -10%
24 4.0--above -20% -25%
25 (4) Class D - commercial land. Land converted to

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1 commercial development within the classification of
 2 residential land shall be, in addition to any other portion
 3 of this act, classified as follows:
 4 Highest density of area Change in Appraised value of
 5 the land is reclassified appraised the improvement
 6 from is contiguous to land over base

7	0-10%	+20%	+10%
8	.10-.20%	+10%	+ 5%
9	.20-1.0%	+ 5%	+ 2%
10	1.0-2.0%	No change	No change
11	2.0-3.0%	-10%	- 5%
12	Over 3.0%	-15%	-10%

13 Section 12. After classification as commercial, land,
 14 whether occupied or not, shall not change in value for tax
 15 purposes unless it meets or is governed by the following
 16 provisions:

17 (1) Class A -- open undeveloped land. Open undeveloped
 18 land within the boundaries set as urban land which has value
 19 and is not designated for usage as a parking area or park,
 20 and developed as such within two (2) years from the
 21 effective date of this act, shall be subject to taxation in
 22 the following method (after the two (2) year grace period):

23	1st year taxation	- no change;
24	2nd year taxation	- +2% over valuation/year;
25	3rd year taxation	- +10% over valuation/year;

1 3-5 years taxation - +20% over valuation/year;
 2 over 5 years - +30% over valuation/year.
 3 (2) Class B - existing improved land. All land in a
 4 commercial class shall remain in the same taxable base until
 5 expanded or remodeled. No expansion or remodeling shall
 6 occur without approval of the governing body.
 7 Upon remodeling or improving, it shall receive a tax
 8 credit in the amount of its valuation change which shall
 9 apply as a tax credit against the property for a period of
 10 five (5) years, reducing in an amount of twenty percent
 11 (20%) per year.
 12 (3) Class C - existing improved land. Existing real
 13 estate developments shall be frozen in their existing tax
 14 base for a period of ten (10) years, unless remodeled, where
 15 section 11(1)(a) shall apply. If not remodeled after ten
 16 (10) years, the following shall apply:

17	Age of structure			
18	after 10 year		Tax increase in years delay	
19	base period	1-5	5-10	10-15
20		10-12	1%	2%
21		12-15	2%	4%
22		15-20	4%	8%
23		21-25	10	16%
24		26-30	15%	20%
25		31-40	25%	30%

1 40-50 40% 45% 50% 60% 60%
 2 50-Over 50% 60% 75% 100% 100%

3 (4) Class D - New improved land.

4 (a) The construction cost and land cost of any
 5 commercial development within a classified commercial or
 6 residential area shall not be taxed for its construction
 7 period and for a period of two (2) years after occupancy.

8 (b) Following the nontaxable period as indicated in
 9 (4)(a), improvements shall be taxed in increments as
 10 follows:

11 Commercial land	Residential land
12 A ten percent (10%)	A thirty three & one-third
13 increase in valuation	percent (33 1/3%)
14 per year until a total	increase in valuation
15 value for tax purposes	per year until a total
16 is one hundred percent	value for tax purposes
17 (100%) of value	is one hundred percent
18	(100%) of value

19 Section 13. (1) Valuation of industrial land. After
 20 being classified as industrial, land, whether occupied
 21 or not, shall not change in value for tax purposes
 22 unless it meets or is governed by the following
 23 provisions:

24 (1) Class A (existing industrial land). Tax valuation
 25 changes shall be made in the following manner:

1 (a) Class A - all lands existing at the passage of
 2 this act, in a category of developed land, which lands are
 3 to continue in their existing tax categories for ten (10)
 4 years, and which, at the end of ten (10) years, if not
 5 remodeled or cleared, are to be taxed according to
 6 commercial land class c:

7 (b) Class B - those lands which expand an existing
 8 facility either through the remodeling or through a value
 9 increase of 10% or more from its approved value of an
 10 existing location or the acquisition of land to expand an
 11 existing facility, or both, meeting the following
 12 requirements, shall be so classified:

13 (i) when the expansion has no unfavorable or adverse
 14 effects on the property surrounding the facility, and
 15 (ii) when the immediate cost of additional local
 16 services will be covered by the tax impact of the facility,
 17 or the expanded facility will meet these needs by its own
 18 resources, and

19 (iii) when the new facility will create new economic
 20 opportunities for those living in the community, and
 21 (iv) when the new facility will not have an adverse
 22 effect on natural resources or scenic characteristics of the
 23 area, and

24 (v) when the development has been planned for and
 25 coordinated with the governing body.

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1 (c) Class C -- those lands and/or facilities which
 2 when remodeled or expanded will;
 3 (i) cause a tax burden in the community because the
 4 expansion will require added community services to meet the
 5 impact,
 6 (ii) not cause an unfavorable or adverse effect on the
 7 community,
 8 (iii) the impact causes an increase in population by
 9 adding one percent (1%) or more population measured in a
 10 fifty (50) mile radius from the point of expansion, or
 11 (iv) provide needed and desired economic impact in the
 12 community.
 13 (d) Class D -- those lands and/or facilities which
 14 when remodeled or expanded will:
 15 (i) cause a tax burden on the community because the
 16 expansion will require additional community services to meet
 17 the impact,
 18 (ii) cause an unfavorable or adverse effect on the
 19 community, or
 20 (iii) cause an increase in population by adding one
 21 percent (1%) or more population to the community when
 22 measured in a fifty (50) mile radius from the point of
 23 expansion.
 24 Section 14. Taxation of classified industrial land.
 25 Within one (1) year after the alteration of existing

1 industrial property, dating from the time of the actual
 2 start of construction the following tax changes shall be
 3 made:

4 Location	Industrial Classification			
5	CLASS A	CLASS B	CLASS C	CLASS D
6 Agricultural	0	+10	+30	+100
7 Recreational	+50	+75	+100	+200
8 Residential	0	+10	+30	+100
9 Commercial	-25	-10	0	+50
10 Industrial	-50	-25	-10	+25
11 Open Space	N.P.	N.P.	N.P.	N.P.
12 N.P. - Not permitted				

13 Section 15. New industrial land. New industrial land
 14 which will be of economic benefit to Montana shall be taxed
 15 and classified as follows:

- 16 (1) Class A. This classification of land shall be for
 17 those new facilities which meet the following standards:
 18 (a) An area which is planned for orderly development
 19 and has through its study shown the governing body it will
 20 meet the following minimum standards:
 21 (i) It would have sufficient water available for its
 22 foreseeable needs.
 23 (ii) It would not have significant adverse effects on
 24 the natural environment and would not cause undue air or
 25 water pollution.

1 water pollution.

2 (iii) It would have as already established within a

3 community, or provide if needed, to meet the following

4 facilities to meet its anticipated population influx into

5 the community:

6 (A) school, hospital and other social needs;

7 (B) street and or highway development;

8 (C) parks, playgrounds and recreation developments.

9 (3) Class C. This classification of land or usage

10 shall be for those new facilities, which plan for the

11 orderly growth, but make no attempt to meet proposed needs.

12 (4) Class D. This classification or usage governs

13 that new usage which does not attempt to, or provide a

14 development plan accepted by the governing body.

15 Section 16. Taxation and classification of new

16 industrial land. Within one (1) year after the start of

17 construction of a new industrial facility the following tax

18 adjustments shall be made. The adjustments are in addition

19 to current evaluation standards.

<u>Developed Land Classification</u>				
Location	CLASS A	CLASS B	CLASS C	CLASS D
Agricultural	+25	+35	+75	+100
Recreational	+25	+45	+65	+125
Residential	+10	+20	+50	+75
Commercial	-25	-15	+25	+50

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1 (iii) It would not adversely affect existing land uses,

2 scenic characteristics, natural resources or property

3 values.

4 (iv) It would have or provide adequate sewage and

5 solid waste disposal facilities.

6 (v) It would have, as already established, within a

7 community, or provide if needed, to meet the following

8 facilities to meet its anticipated population influx into

9 the community:

10 (A) school, hospital and other social needs;

11 (B) street or highway development;

12 (C) parks, playgrounds and recreation developments;

13 (D) housing or areas for housing development;

14 (E) shopping facilities or see that another source

15 develops adequate facilities to meet minimum needs.

16 (2) Class B. This classification of land or usage

17 shall be for those new facilities which meet the following

18 standards:

19 (a) An area which is planned for orderly development

20 and has through its study shown the governing body it will

21 meet the following minimum standards:

22 (i) It would have sufficient water available for its

23 foreseeable needs.

24 (ii) It would not have significant adverse effects on

25 the natural environment and would not cause undue air or

1 Industrial -50 -25 +10 +25
 2 Open Spaces N.P. N.P. N.P.
 3 N.P. - Not Permitted
 4 Section 17. Open space. After classification, any
 5 classified usage may be reclassified into open space for the
 6 following purposes:
 7 (1) To assist in developing green belts and providing
 8 needed open space both the private sector and the public,
 9 may acquire or dedicate open space. If open space is
 10 acquired by the governing body, it must be:
 11 (a) essential to the orderly growth and development of
 12 the area;
 13 (b) in accordance with the program of comprehensive
 14 planning for the area at the time of its creation; and
 15 (c) in accordance with the provisions of Montana law.
 16 (2) Open space may be acquired by the governing body
 17 by purchase, trade or other means available other than
 18 condemnation. Once land is classified as open space, it
 19 must remain as such until it is determined by the governing
 20 body to be out of phase with the master plan, at which time
 21 the land may be traded for a feasible equivalent. Open
 22 space land, once declared, either by the governing body or
 23 the public, may not be sold.
 24 Section 18. Taxation of open space. Open space shall
 25 be taxed in the following manner:

1 (1) If a private owner dedicates land as open space,
 2 it will remain forever off the tax base and the owner of
 3 record will receive, in tax credits, an amount equal to the
 4 fair market value of the land from the governing body.
 5 (2) Open space land dedicated in any agricultural zone
 6 may be used for agricultural as directed by the governing
 7 body, by the original owner at the time of transfer and any
 8 successors owning the property.
 9 (3) No owner may classify more than ten percent (10%)
 10 of his land open space without the permission of the
 11 governing body, however, he may place any amount into
 12 recreational land as defined by this act.
 13 (4) If timber land is removed from the tax base
 14 through this classification, it may not be harvested for
 15 profit and may be cut only for the advancement of
 16 recreational purposes.
 17 Section 19. Special conditions. (1) No provision of
 18 this act shall provide local government units from levying
 19 cost escalations or tax decrease into their tax levies to
 20 compensate for inflation or reductions due to changes in
 21 physical needs.
 22 (2) Any land classified under this act may be, at the
 23 owner's option, reclassified at any time to a new
 24 classification within categories if allowed under the
 25 requirements of that classification.

1 (3) Any property under one (1) or more ownerships may
2 be so classified as to meet one (1) or more of the standards
3 of this act.

4 (4) Hospitals, churches, rest homes, nursing homes,
5 governmental buildings, schools, colleges, or any other
6 charitable institution operating on a nonprofit basis under
7 section 84-202, may be located in any area of land so
8 classified by this act, with the exception of recreational
9 or open space classification.

10 Section 20. Rules and regulations. State government
11 shall adopt such rules and regulations pursuant to Montana
12 Administrative Procedure Act, as are necessary for the
13 administration of this act.

14 Section 21. Severability. If any provision of this
15 act or its application to any person or circumstance is held
16 invalid, the remainder of the act, or the application of the
17 provisions to other persons or circumstances, is not
18 affected.

-End-

FISCAL NOTE

Form BD-15

In compliance with a written request received February 21, 19 75, there is hereby submitted a Fiscal Note for House Bill 672 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 to establish a procedure for the economic development of Montana through local government control, based on land growth patterns as a supplement to zoning with tax credits and penalties; authorizing local government controls and providing standards of land usage.

REVENUE IMPACT:

The magnitude and complexity of the tax base changes in House Bill 672 prohibits a quantitative estimate of the impact on property tax collections.

EXPENDITURE IMPACT:

1. The Department of Intergovernmental Relations estimates the cost of public hearings and planning assistance to be \$91,000 in FY 76 and \$95,000 in FY 77.
2. It is not feasible to estimate the costs to the Department of Revenue. Administration of the bill would require continuous reappraisals and reclassifications.
3. Local government units are required to take a complete inventory of the land and its usage, prepare a map of the proposed land classification, hold public hearings, notify all land owners, and prepare a final land use plan by the end of CY 77. It is expected that such requirements would increase local government costs substantially.

CONCLUSION:

It is not possible to estimate the revenue or expenditure impact of House Bill 672.

TECHNICAL NOTE:

1. Page 3, Section 4(1) - it is not clear how "land density" is to be computed. Permanent residents are not defined.
2. Page 13, line 9 - "the department cannot override the decision of the department" is not clear.
3. Page 19, line 25; page 20, lines 1 and 2 - "if the existing usage is expanded or remodeled to expand land densities to the conditions of Class C new residential (multifamily) shall be followed" is not clear.
4. Page 20, Section 11 (1)(c) states that alterations (improvements) to residential land, if approved by the governing body shall be taxed as industrial land.
5. Page 21, lines 12-21 - no provision is made for land within a limit of 10 to 14½ miles from the jurisdictional limit.
6. Page 22, lines 15-24 - land density is given as a percentage, however, in section 4, land density is defined in terms of persons per acre. The column heading "highest density of area the land is reclassified from is contiguous to" is not clear. The column heading "change in appraised land" is not clear as to what is changed. The column heading "appraised value of the improvement over base" is not clear since the subsection is addressing classification of land.
7. Pages 27 and 28, Section 14 - the "tax changes" listed in the table are not labeled as dollar or percentage changes and it is not clear to what "tax changes" will be made.
8. Page 32, line 18 - the word "provide" should read "prohibit".
9. Throughout the bill, the word "value" is used but in most cases, it is not clear whether value means market value, appraised value, assessed value or taxable value.

Michael B. Pulling

 BUDGET DIRECTOR

Office of Budget and Program Planning

Date: February 27, 1975

Approved by Committee
on Taxation

HOUSE BILL NO. 672

INTRODUCED BY FAGG, FABREGA, KEMMIS, DASSINGER, STOLTZ,
TEAGUE, HAGER, JOHNSON, SLOAN, MURPHY, WILLIAMS, HOLMES,
HUENNEKENS, RASMUSSEN, LORY, THOMAS, LOCKREM, MERCER, BRAND

A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A
PROCEDURE FOR THE ECONOMIC DEVELOPMENT OF MONTANA THROUGH
LOCAL GOVERNMENTAL CONTROL, BASED ON LAND GROWTH PATTERNS
ESTABLISHED THROUGH ECONOMIC VALUE AS A SUPPLEMENT TO ZONING
WITH ECONOMIC INDUCEMENTS AND PENALTIES; PROVIDING
AUTHORIZATION TO LOCAL GOVERNMENTS TO DEVELOP PLANNED
DEVELOPMENT PROCEDURES; AND PROVIDING STANDARDS OF LAND
USAGE; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
Section 1. Citation. This act may be cited as "The
Montana Economic Land Development Act".

Section 2. Policy. The legislature finds that we as a
state are currently facing problems in our economic
development that will not only cause concern to our state's
future but also cut backs in our state's growth and
currently lack to proper development. Inasmuch as many of
these economic concerns are based on land use decisions, the
state should develop a land use policy which will direct
Montana's land use growth through the enactment of a program

which will:

- (1) enable local control and local decisions to be foremost in determining the state growth pattern;
- (2) allow taxation on land and structures to be based on proper land utilization; providing for tax incentives for proper land utilization and tax increases for land developmental abuse;
- (3) create a land use policy which does not block economic progress, but rather the development of a program which will meet the social and economic standards necessarily brought about through economic progress;
- (4) develop a program which protects our state's beauty and natural features as well as our heritage of agricultural wealth by curbing urban sprawl; and
- (5) institute a land-use system growth program which reduces SUPPLEMENTS zoning and ~~unnecessary governmental~~ ~~regulatory~~ which is structured through local control, and one which is not to be final in action, but rather one of continuing action, whereby land use decisions can continually be re-evaluated ~~AND ONE WHICH WOULD AID UNNECESSARY GOVERNMENTAL REGULATIONS.~~

Section 3. Purpose. Montanans are faced with a nation hungry for timber, coal, minerals, and recreation opportunities, causing a future in Montana whose heritage appears headed for rapid development and growth. This act,

1 therefore, is designed to meet Montana's needs in a unique
 2 way; by reducing the need for zoning and other land control
 3 measures and placing our future development under a free
 4 market system controlled not by land regulation, but by
 5 economics. Specific goals are:

6 (1) to protect prime agricultural land as it is the
 7 backbone of today's Montana economy and the heart of
 8 tomorrow's need for a well-fed and healthy economy, keeping
 9 Montana's position, in the future, as the bread basket of
 10 the nation;

11 (2) to encourage urban growth in an inward pattern,
 12 rather than a sprawl development, yet through the use of
 13 open space provide a greater percentage of open land and a
 14 higher density on developed land within the urban area;

15 (3) to guide industrial and commercial development in
 16 Montana;
 17 (4) to develop a program which is controlled and
 18 directed on a local level, within the actual land use
 19 direction and classification left wherever possible with the
 20 local land owner; and

21 (5) in general, to provide for Montana a land use
 22 directional policy which will not regulate our future but
 23 rather motivate it into a pattern of desirable economic
 24 growth based on the development of private enterprise.

25 Section 4. Definitions. As used in this act:

1 (3) "Land density" means the number of persons living
 2 on the land based on those established as permanent
 3 residents. ~~the land density value shall be based on any~~
 4 ~~combination of land area to being about the largest~~
 5 ~~possibility of residents per acre. PER ACRE, IN DETERMINING~~
 6 ~~DESIGNS UNDER THE PROVISIONS OF THIS ACT IT SHALL BE TAKEN~~
 7 ~~ON THE NUMBER OF ACRES OF THE PROPOSED DEVELOPMENT OR~~
 8 ~~PORTION OF LAND DEVELOPED PLUS THE AVERAGE DENSITY OF THE~~
 9 ~~LAND ADJOINING THE PROPERTY AND EXTENDING BEYOND IT THREE~~
 10 ~~HUNDRED (300) FEET IN EACH DIRECTION.~~

11 (2) "Agricultural land" means land which is currently
 12 being used or could be used for floriculture, horticulture,
 13 general farming, dairying, poultry raising, stock raising,
 14 and other agricultural related uses, including, but not
 15 limited to, buildings and activities.

16 (3) "Developed land" means land developed or used for
 17 residential industrial or commercial use.

18 (4) "Urban land" means land which is developed for the
 19 purpose of providing community or regional trade centers,
 20 whether incorporated or unincorporated, generally considered
 21 commercial centers as defined by the local governing body.

22 (5) "Productive land" means the following land with a
 23 potential for profitability being used for profit:

- 24 (a) irrigated cropland;
- 25 (b) non-irrigated cropland;

1 (c) pasture;
 2 (d) range;
 3 (e) irrigated native grassland;
 4 (f) forest and woodland;
 5 (g) other land which could be used for the production
 6 of food and fibre for profit.

7 (6) "Nonproductive land" means land which will not
 8 support growth for the production of food and fibre for
 9 profit.

10 (7) "Open space" means land as defined in section
 11 62-603.

12 (8) "Planned development" means the development of a
 13 piece of land in such a manner that is determined by the
 14 governing body to entail the highest and best possible
 15 development for that land, in a manner encouraging open
 16 space and high density use.

17 (9) "Governing body" means the board of county
 18 commissioners or the city council of incorporated cities in
 19 which the land lays. If the land under question is in more
 20 than one (1) county, the governing body of each county shall
 21 be represented by one (1) or more of their membership on a
 22 regional basis, and in equal numbers from each county.

23 (10) "Industrial" refers to a district or use in which
 24 the principal use of the land shall be for the manufacturing
 25 or conversion of a material or product into a secondary

1 usage for sale or profit. Specific uses shall include
 2 manufacturing, processing, dismantling, refining,
 3 production, and mining.

4 (11) "Recreational" means land or portions of land
 5 primarily designated as space for outdoor activities
 6 conducted by individuals for fun and relaxation, including,
 7 but not limited to, organized sports, games, hunting,
 8 fishing, hiking, backpacking, swimming, and other related
 9 outdoor activities.

10 (12) "Residential" refers to a district or portion of
 11 land in which the principal use of the land is for
 12 residential construction, habitat and land development of
 13 varying densities designed to meet contemporary building and
 14 living standards.

15 (13) "Taxable value" means ~~actual value less forty~~
 16 ~~percent (40%)~~ MEANS THAT VALUE DETERMINED UNDER TITLE 84.
 17 B.C.M. 1947, FOR LAND AND IMPROVEMENTS.

18 (14) "Construction period" means that period designated
 19 by the issuance of a building permit, or in the case where
 20 building permits are not granted, the breaking of ground for
 21 construction purposes.

22 (15) "Economic benefit" means the development of, or
 23 expansion of, an existing facility which through the
 24 provision of jobs or new taxable base, provides additional
 25 economic opportunity within an area for the citizens of the

1 state and its owners.

2 (16) "budget period" means the period of time, from the
3 start to finish of a growing season for agricultural land,
4 or the construction period in the case of a new or
5 recommended construction.

6 (17) "State administering agency" the department of
7 intergovernmental relations and the department of revenue
8 acting jointly to administer this act. All planning
9 functions required to administer this act shall be assigned
10 to the department of intergovernmental relations and all
11 taxation responsibilities shall be assigned to the
12 department of revenue.

13 (18) "Roll back" means the rolling back of a period of
14 years for tax purposes. The taxes to be paid during this
15 roll back period being the difference paid from the normal
16 appraisal value and the appraised value determined by this
17 act.

18 (20) "Single family" is a designation given to
19 residential land whereby only one (1) family lives in each
20 structure erected or existing upon the land.

21 (21) "Multifamily" is a designation given to
22 residential land whereby more than one (1) family lives in
23 each structure existing, remodeled, or built upon a given
24 piece of land.

25 (22) "Remodeling" means the changing in value of a

1 structure, building, or other man-made object either through
2 painting, reconstruction, or other manner wherein its value
3 is increased one percent (1%) or more, said increase in
4 value to be determined by the governing body after the
5 proposed change or alteration is made.

6 Section 5. Operation. (1) Within two (2) years of
7 the passage of this act the governing body shall set
8 standards wherein their jurisdictional area is classified
9 into general areas described in this section. The
10 classification by the governing body shall be made after the
11 following steps have been taken regarding the lands in their
12 jurisdictional areas:

13 (a) a complete inventory of the land and its usage by
14 the governing body, including:

- 15 (i) land types, based on federal standards;
- 16 (ii) the flood-plain of all streams and rivers;
- 17 (iii) current vegetation patterns, i.e., crop land,
18 irrigated land, range land, nonproductive land;
- 19 (iv) developed land; and
- 20 (v) all federal, state, or Indian land.

21 Decisions shall be coordinated with the department of
22 revenue.

23 (2) After collection of this data it shall be
24 displayed in public for a minimum of thirty (30) days.
25 During the period the material is displayed there shall be

1 notification made of a public meeting at which time the
 2 materials will be displayed, described, and the method of
 3 classification will be explained to the general public. Any
 4 changes of land classification suggested shall be taken
 5 under advisement by the governing body and at their
 6 discretion be encompassed into the land classification.

7 (3) Within one hundred twenty (120) days of the
 8 classification the governing body shall indicate on a map
 9 the proposed land classification for all the land in their
 10 jurisdictional area and so notify all land owners in the
 11 jurisdictional area, by registered mail. This notification
 12 shall include, but not be limited to:

13 (a) the classification, or classifications, given the
 14 individual land owners' land;
 15 (b) the meaning of the classification; and
 16 (c) a time and place for a hearing, within the next
 17 thirty (30) days to have public meetings to discuss the
 18 general classification(s).

19 (4) Following the public meeting the governing body
 20 may or may not reclassify any land to follow request made at
 21 the meeting.

22 (5) A final land use plan shall then be prepared by
 23 the governing body, which plan shall reflect a combination
 24 of existing uses of land in a manner which through prudent
 25 use encompasses both growth and conservation. This plan

1 shall then be submitted to the state administration agency
 2 not later than January 2, 1978. If a city or county has
 3 failed to prepare this classification within the required
 4 time, the department of intergovernmental relations or its
 5 agent shall prepare the classification. The categories are:

- 6 (a) agricultural;
- 7 (b) recreational;
- 8 (c) residential;
- 9 (d) commercial;
- 10 (e) industrial; and
- 11 (f) open space.

12 Section 6. Classification. The department of
 13 intergovernmental relations shall conduct hearings upon the
 14 classifications of land according to desirable use proposed
 15 by each governing body within the county and shall, after
 16 considering the record of such hearings, make the final
 17 classification of the desirable usage of land in each county
 18 as proposed by the governing body if such proposals are in
 19 accordance with the following criteria:

- 20 (1) Taxable land shall be classified as agricultural
- 21 when such action would:
- 22 (a) encourage the preservation of prime agricultural
- 23 soils, or
- 24 (b) encourage the preservation of those limited areas
- 25 of the state which contain the proper combination of soil

1 and topographical characteristics necessary for intense
2 agricultural development, or

3 (c) discourage those uses and activities which are
4 incompatible with the rural character of a district, or
5 (d) provide minimal development standards which would
6 assure the continuation of the open and rural character of
7 the district and permit only those uses and activities which
8 are compatible with this rural character.

9 (2) Taxable land shall be classified as recreational
10 when such action would:

11 (a) discourage those uses and activities which would
12 create congestion, noise, or hazards incompatible with
13 recreation activities established on the land, or
14 (b) encourage the continuation or initiation of
15 outdoor recreation on suitable lands.

16 (3) Taxable land shall be classified as residential
17 when such action would:

18 (a) conserve the character of established residential
19 neighborhoods as has been done by municipal zoning, or
20 (b) encourage the growth of cities and towns in
21 efficient patterns while discouraging wasteful urban sprawl,
22 or

23 (c) open new lands to residential areas provided such
24 usage consists of utility expansion, streets, and other
25 needed and related facilities such as schools and commercial

1 developments, if such development is considered necessary by
2 the governing body.

3 (4) Taxable land shall be classified as industrial
4 when such action would:

5 (a) be in character with existing uses, or
6 (b) shield the surrounding area from noise, glare,
7 pollution, or other actions or activities objectionable to
8 the general public, or

9 (c) provide areas of land contiguous rather than
10 spread over the community or area and located in such
11 locations where the prevailing wind and water flow pattern
12 is favorable to the inhabitants of the area.

13 (5) Taxable land shall be classified as commercial
14 when:

15 (a) it would be in character with existing uses, or
16 (b) it is located in such a pattern or manner to
17 provide needed services to a growing community, or

18 (c) its highest and best use is determined to be
19 commercial, said usage being based on decisions of actual
20 advantage of both customers and merchants, or

21 (d) when the classification of the land will promote
22 the most desirable developments in each area, conserve the
23 value of land, and thus promote public safety, convenience,
24 prosperity, and welfare.

25 (6) Taxable land may be taken from the tax base and

1 classified open space, whether public or private, when:

2 (a) it is to the public benefit to provide for the
3 preservation of permanent open space, green belts, or
4 similar landscape features, or

5 (b) such action will provide land to screen or
6 otherwise hide through visual control objectionable man-made
7 features, or

8 (c) such action will provide land to encourage,
9 assist, and provide means for more desirable urban and rural
10 developments.

11 (7) Such classifications of desirable use shall be
12 accepted by the department of revenue.

13 Section 7. Management of classified area. Once land
14 is classified into a taxable classification, it shall be
15 managed by the governing body to encourage its continued
16 usage in that classification. Changes in classification
17 shall be subject to review by the department, however, the
18 department cannot override the decision of the department
19 without cause, items for cause being:

20 (1) that the intended use in the reclassification of
21 agricultural land would not be to the benefit of the general
22 community because it would not:

23 (a) assure that those portions of the state containing
24 prime agricultural soils would be preserved for agricultural
25 purposes, or

1 (b) encourage the use and preservation of those
2 limited and irreplaceable portions of the state which
3 contain the proper combination of soil and topographical
4 characteristics for intense agricultural development, or
5 (c) prohibit uses of the land which would interfere
6 with the development or continuation of agricultural uses in
7 the area.

8 (2) That the intended use in the reclassification of
9 recreational land would not be to the benefit of the general
10 community because it would not:

11 (a) protect recreational development, so far as is
12 possible and appropriate in each area, against the
13 establishment of uses which would create hazards, offensive
14 noise, or offensive activities, or

15 (b) protect existing recreational development against
16 congestion, so far as is possible and diminish its
17 effectiveness as a recreational unit.

18 (3) That the intended use by reclassification of
19 residential land would not be to the benefit of the general
20 community because it would not:

21 (a) encourage the construction or, and the continued
22 use of, the land for various residential purposes, if in
23 fact this was its best and natural usage, or

24 (b) prohibit commercial and industrial uses of the
25 land and to prohibit any other use which would substantially

1 interfere with the development or continuation of
 2 residential uses, or
 3 (c) prohibit any use which because of its character or
 4 size creates requirements and costs for public services,
 5 such as police and fire protection, water supply and sewage
 6 facilities, substantially in excess of such requirements and
 7 costs if the district were developed solely for residential
 8 purposes.
 9 (4) That the intended use by reclassification of any
 10 land category to industrial land would not be to the benefit
 11 of the general community because its reclassification would
 12 not:
 13 (a) provide facilities to minimize traffic congestion,
 14 or
 15 (b) provide for facilities and the operation of
 16 industries which minimize noise, glare, air pollution, water
 17 pollution, and fire and safety hazards in industrial
 18 districts, or
 19 (c) provide beneficial, social, and economic pattern
 20 of growth for the area in which the land so classified
 21 occurs, or
 22 (d) provide protection from offensive noise,
 23 vibration, smoke, dust, odors, heat, glare, or other
 24 objectionable influences.
 25 (5) That the intended use by reclassification of any

1 land category to commercial land would not be to the benefit
 2 of the general community because its reclassification would
 3 not:
 4 (a) provide protection from offensive noise,
 5 vibration, smoke, and heavy traffic, or
 6 (b) provide sufficient space in appropriate locations
 7 for the transaction of all types of commercial and
 8 miscellaneous service activities in beneficial relation to
 9 one another, and thus to strengthen the economic base of the
 10 community, or
 11 (c) provide appropriate space, and in particular
 12 sufficient depth from the street, to satisfy the needs of
 13 modern commercial development, including the need for
 14 off-street parking in areas where a large proportion of
 15 customers come by automobile, or
 16 (d) encourage the tendency of commercial development
 17 to concentrate, to the mutual advantage of both customers
 18 and merchants, and the urban pattern of growth.
 19 (6) Once classified as open space, no land so
 20 classified may be reclassified until the provisions of
 21 section 62-603 have been met.
 22 Section 8. Subclassification of land. Under the
 23 provisions of this act the land outside the jurisdictional
 24 boundary of a city or town, which is classified either
 25 agricultural or recreational may be subclassified by the

1 owner subject to the terms of sections 9 and 10.

2 Section 9. Subclassification by owners of taxable land
3 classified as agricultural. (1) Within twelve (12) months
4 following the classification of taxable land as
5 agricultural, an owner thereof shall elect to subclassify
6 his lands into classes A, B, C, or D, or any combination
7 thereof. The department of revenue, upon receipt of the
8 owner's election, shall revise the previously appraised
9 value of such lands as follows:

10 Class A --- appraisals shall be reduced ten percent
11 (10%) from their levels immediately preceding;

12 Class B --- appraisals shall be reduced five percent
13 (5%) from their levels immediately preceding;

14 Class C --- appraisals shall be reduced two percent (2%)
15 from their levels immediately preceding;

16 Class D --- appraisals shall be increased ten percent
17 (10%) from their levels immediately preceding, and may be
18 revalued in future years as provided by law to reflect
19 market value.

20 (2) The owner of class A land, his heirs, successors,
21 or assigns, may not convert the use of such lands to any
22 nonagricultural purpose for fifty (50) years, nor may the
23 subclassification be changed for fifty (50) years.

24 (3) The owner of class B land, his heirs, successors,
25 or assigns, may not convert the use of such land to any

1 nonagricultural purpose for ten (10) years, nor may the
2 subclassification be changed for ten (10) years.

3 (4) The owner of class C land, his heirs, successors,
4 or assigns, may change the subclassification within the
5 agricultural classification at any time, and may petition
6 the department of revenue at any time for reclassification
7 into another category. The department may grant this
8 petition upon payment by the petitioner of the difference in
9 taxes which would have been paid since the subclassification
10 or ten (10) years, whichever is less, if during that period
11 the land has been subclassified as class D.

12 (5) The owner of class D land, his heirs, successors,
13 or assigns, may petition the department of revenue for
14 reclassification into another category at any time, which
15 petition shall be granted.

16 (6) If a voluntary subclassification of land has not
17 been made by the owner of record within the one (1) year
18 period, the department of revenue shall automatically place
19 the land in class D and it shall remain in this
20 classification until the owner requests its placement into a
21 different classification.

22 Section 10. Subclassification by owners of taxable
23 land classified as recreational. (1) Within twelve (12)
24 months following the classification of taxable land as
25 recreational, an owner thereof shall elect to subclassify

1 any or all of his lands into class A, class B, or a
 2 combination of the two AND AS SUCH RECEIVE TAX CREDITS IN
 3 ADDITION TO THOSE LISTED UNDER ANY OTHER PORTION OF THIS
 4 ACT.

5 (2) The department shall appraise class B lands at
 6 their market value as recreational lands.

7 (3) The department of revenue, upon receipt of the
 8 owner's election, shall reduce the previously appraised
 9 value of class A lands that portion assigned to recreation
 10 by twenty-five percent (25%) and shall thereafter maintain
 11 such appraisals at seventy-five percent (75%) of the value
 12 which the land would have if it were class B SO LONG AS IT
 13 REMAINS CLASS A.

14 (4) The owner of class A land, his heirs, successors,
 15 and assigns, shall agree with the department of fish and
 16 game for a minimum of ten (10) years to permit public access
 17 across the land for outdoor recreational purposes, subject
 18 to such limitations for the protection of the land and the
 19 privacy of the persons residing thereon as the owner may
 20 stipulate. If this agreement or a renewal thereof is not in
 21 force, the subclassification of the land reverts to class B.
 22 The owners of class A recreational land, his heirs,
 23 successors, and assigns may not change the use of such land
 24 to any purpose incompatible with established recreational
 25 uses during the term of an agreement with the department of

1 fish and game.

2 (5) The owner of class B land, his heirs, successors,
 3 and assigns, ~~may petition the department for~~
 4 ~~reclassification into another category at any time which~~
 5 ~~petition shall be granted~~ SHALL AGREE THAT IN ADDITION TO
 6 MEETING THE STANDARDS OF SECTION 10, SUBSECTION (4) OF THIS
 7 ACT THAT THEY FURTHER WOULD AGREE TO ALLOW PUBLIC CAMPING
 8 AND OVERNIGHT STAY UPON THEIR PROPERTY IN DESIGNATED
 9 LOCATIONS WITHOUT CHARGE.

10 (6) THE DEPARTMENT OF REVENUE, IN ADDITION TO ANY
 11 OTHER TAX SCHEDULE PLACED ON THE LAND, SHALL REDUCE THE
 12 PREVIOUSLY APPRAISED VALUE OF CLASS A LAND THAT PORTION
 13 ASSIGNED RECREATION BY A VALUE OF FORTY PERCENT (40%) AND
 14 SHALL THEREAFTER MAINTAIN SUCH APPRAISALS AT SIXTY PERCENT
 15 (60%) OF THE LAND SO LONG AS IT REMAINS CLASS B.

16 Section 11. Valuation of residential land. After
 17 classification as residential land, whether occupied or not,
 18 shall not change in value for tax purposes unless it meets
 19 or is governed by the following provisions:

20 (1) Class A -- existing residential. Tax valuation
 21 changes shall be made in the following manner:

22 (a) If the existing usage is expanded or remodeled to
 23 expand land densities to A LEVEL TEN PERCENT (10%) HIGHER
 24 THAN THE PROPERTY SURROUNDING THAT EXPANDED OR REMODELED
 25 BASED ON A MEASUREMENT OF THREE HUNDRED (300) FEET FROM THE

1 PROPERTY LINE OF THE PIECE OF PROPERTY BEING EXPANDED OR
 2 REMODELED, THEN the conditions of class C new residential
 3 (multifamily) shall be followed.

4 (b) If existing residential property is remodeled to
 5 increase its valuation, or if a totally new development
 6 occurs, a tax credit in the amount of the remodeling or
 7 development costs shall apply for the first five (5) years
 8 after the remodeling or development, reducing in an amount
 9 of twenty percent (20%) per year for the five (5) year
 10 period.

11 (c) Residential land whose usage is altered to one
 12 other than residential shall be taxed at forty percent (40%)
 13 over the normal for that usage in the state, unless the
 14 change is approved by the governing body. This increase
 15 shall apply for the first ten (10) years, after which no
 16 additional tax shall be levied. If said improvement is
 17 approved by the governing body, it shall be taxed as
 18 described in section 6, subsection 4.

19 (d) If residential land is transferred from this
 20 category to any class of agricultural land, after the
 21 enactment of this act, there shall be an immediate tax
 22 relief directly proportionate to the class of the land into
 23 which the transferred land is reclassified.

24 (2) Class B - new residential (single family). Any
 25 land which is converted to new residential shall be

1 classified as follows:

2 (a) Land transferred from productive land shall be
 3 taxed in accordance with the appropriate sections of this
 4 act with the following exceptions:

5 (i) Land indicated as a planned unit developed and
 6 approved by the governing body shall be classified for tax
 7 purposes at ten percent (10%) below the normal tax in the
 8 area for similar developments.

9 (ii) Land transferred from nonproductive land to
 10 residential purposes shall be classified at the time of
 11 transfer in an amount to decrease the tax valuation as
 12 follows:

13 Land within the 20% a year for
 14 jurisdictional a period of 5
 15 4-1/2 mile limit years
 16 of a community
 17 Land within a 10% a year for
 18 limit of 4-1/2 miles a period of 5
 19 to 10 miles from years
 20 the jurisdictional limit

21 Land beyond the 5% a year for
 22 14-1/2 mile limit, MEASURED a period of 5 years

23 FROM THE FOUR AND ONE-HALF

24 (4-1/2) MILE LIMIT OF THE

25 NEAREST INCORPORATED CITY

1 IN A DIRECT LINE

2 (iii) Land taken out of production and transferred to

3 residential shall in addition to any other provision of this

4 act to increase taxable valuation in the following amounts:

5 Land within the 2% a year for

6 jurisdictional a period of 10

7 4-1/2 mile limit years

8 of a community

9 Land within a 20% a year for

10 limit of 4-1/2 miles a period of 10

11 to 10 miles from years

12 the jurisdictional limit

13 Land beyond the 50% a year for

14 14-1/2 mile limit, MEASURED a period of 10

15 FROM THE FOUR AND years

16 ONE-HALF (4-1/2) MILE LIMIT

17 OF THE NEAREST INCORPORATED

18 CITY IN A DIRECT LINE

19 (3) Class C - new residential (multifamily). Land

20 which is transferred from any use to multifamily in addition

21 to any other provision of this act shall be classified as

22 follows:

23 Highest density of area Change in Appraised value of

24 the land ~~is~~ reclassified appraised the improvement

25 ~~from-is-contiguous-to~~ land over base

1 0-10% 0 - 1 +50%

2 10-20% 1 - 3 +40%

3 20-30% 3.1 - 9 +25%

4 30-40% 9.1 - 18 + 2%

5 40-50% 18.1 - 36 No change No change

6 50-60% 36.1 - 54 -10%

7 60-above 54 AND OVER -20%

8 (4) Class D - commercial land. Land converted to

9 commercial development within the classification of

10 residential land shall be, in addition to any other portion

11 of this act, classified as follows:

12 Highest density of area Change in Appraised value of

13 the land ~~is-reclassified~~ appraised the improvement

14 ~~from-is-contiguous-to~~ land over base

15 0-10% 0 - 1 +20%

16 10-20% 1 - 3 +10%

17 20-30% 3.1 - 9 + 5%

18 30-40% 9.1 - 18 No change No change

19 40-50% 18.1 - 36 -10%

20 50-60% 36.1 - 54 -15%

21 54 AND OVER -25%

22 Section 12. After classification as commercial, land,

23 whether occupied or not, shall not change in value for tax

24 purposes unless it meets or is governed by the following

25 provisions:

1 (1) Class A - open undeveloped land. Open undeveloped
 2 land within the boundaries set as urban land which has value
 3 and is not designated for usage as a parking area or park,
 4 and developed as such within two (2) years from the
 5 effective date of this act, shall be subject to taxation in
 6 the following method (after the two (2) year grace period):

- 7 1st year taxation - no change;
- 8 2nd year taxation - +2% over valuation/year;
- 9 3rd year taxation - +10% over valuation/year;
- 10 3-5 years taxation - +20% over valuation/year;
- 11 over 5 years - +30% over valuation/year.

12 (2) Class B - existing improved land. All land in a
 13 commercial class shall remain in the same taxable base until
 14 expanded or remodeled. No expansion or remodeling shall
 15 occur without approval of the governing body.

16 Upon remodeling or improving, it shall receive a tax
 17 credit in the amount of its valuation change which shall
 18 apply as a tax credit against the property for a period of
 19 five (5) years, reducing in an amount of twenty percent
 20 (20%) per year.

21 (3) Class C - existing improved land. Existing real
 22 estate developments shall be frozen in their existing tax
 23 base for a period of ten (10) years, unless remodeled, where
 24 section 11(1)(a) shall apply. If not remodeled after ten
 25 (10) years, the following shall apply:

1	Age of structure	Tax increase in years delay			
2	after 10 year	5-10	10-15	15 and over	
3	base period	1-5	4%	5%	
4	10-12	1%	2%	4%	5%
5	12-15	2%	4%	6%	8%
6	15-20	4%	8%	12%	16%
7	21-25	10	12%	16%	18%
8	.26-30	15%	18%	20%	24%
9	31-40	25%	28%	30%	35%
10	40-50	40%	45%	50%	60%
11	50-Over	50%	60%	75%	100%

12 (4) Class D - New improved land.

13 (a) The construction cost and land cost of any
 14 commercial development within a classified commercial or
 15 residential area shall not be taxed for its construction
 16 period and for a period of two (2) years after occupancy.

17 (b) Following the nontaxable period as indicated in
 18 (4)(a) improvements shall be taxed in increments as
 19 follows:

- 20 --Commercial land-----Residential land-----
- 21 A-ten-percent-(10%)-----A-thirty-three-and-one-third
- 22 increase-in-valuation-----percent-(33-1/3)-----
- 23 per-year-until-a-total-----increase-in-valuation-
- 24 value-for-tax-purposes-----per-year-until-a-total
- 25 is-one-hundred-percent-----value-for-tax-purposes

1 ~~(100%) of value~~ ----- is one-hundred percent

2 ~~(100%) of value~~ -----

3 THE TOTAL COST OF LAND AND IMPROVEMENTS DEVELOPED AS NEW

4 COMMERCIAL PROPERTY SHALL BE TAXED AS FOLLOWS:

5 COMMERCIAL LAND LOCATION TAXABLE SCHEDULE

6 (I) LAND WITHIN AND IMPROVEMENTS SHALL BE

7 EXTENDING NINE HUNDRED TAXED IN ADDITIONAL

8 (900) FEET BEYOND THAT INCREMENTS AS FOLLOWS:

9 AREA DESIGNATED BY THE A TEN PERCENT (10%)

10 GOVERNING AUTHORITY AS INCREASE IN VALUATION PER

11 THE CENTRAL BUSINESS YEAR UNTIL A TOTAL VALUE

12 DISTRICT OF A COMMUNITY. FOR TAX PURPOSES IS ONE

13 HUNDRED PERCENT (100%)

14 OF VALUE.

15 (II) LAND FROM THAT IMPROVEMENTS SHALL BE

16 DESIGNATION UNDER TAXED IN ADDITIONAL

17 SUBSECTION (4) (B) (I) INCREMENTS AS FOLLOWS: A

18 AND THE CORPORATE THIRTY-THREE AND

19 BOUNDARY OR CITY LIMITS. ONE-THIRD PERCENT

20 (33-1/3%) INCREASE IN

21 VALUATION PER YEAR UNTIL

22 A TOTAL VALUE FOR TAX

23 PURPOSES IS ONE HUNDRED

24 PERCENT (100%) OF VALUE.

25 (III) LAND LYING FROM AN INCREASE IN TAXES

1 THE CORPORATE BOUNDARY TO OVER THE NORMALLY

2 THE FOUR AND ONE-HALF ASSESSED VALUE OF TEN

3 (4-1/2) MILE LIMIT. PERCENT (10%) PER YEAR

4 FOR A PERIOD OF TEN YEARS

5 UNLESS GIVEN A WAIVER BY

6 THE GOVERNING AUTHORITY.

7 (IV) LAND LYING BEYOND AN INCREASE IN TAXES

8 THE FOUR AND ONE-HALF OVER THE NORMALLY

9 (4-1/2) MILE LIMIT. ASSESSED VALUE OF

10 TWENTY-FIVE PERCENT (25%)

11 PER YEAR FOR FIFTEEN (15)

12 YEARS UNLESS GIVEN A

13 WAIVER BY THE GOVERNING

14 AUTHORITY.

15 Section 13. (1) Valuation of industrial land. After

16 being classified as industrial, land, whether occupied or

17 not, shall not change in value for tax purposes unless it

18 meets or is governed by the following provisions:

19 (1) Class A (existing industrial land). Tax valuation

20 changes shall be made in the following manner:

21 (a) Class A - all lands existing at the passage of

22 this act, in a category of developed land, which lands are

23 to continue in their existing tax categories for ten (10)

24 years, and which, at the end of ten (10) years, if not

25 remodeled or cleared, are to be taxed according to

1 commercial land class c;

2 (b) Class B - those lands which expand an existing
3 facility either through the remodeling or through a value
4 increase of 10% or more from its approved value of an
5 existing location or the acquisition of land to expand an
6 existing facility, or both, meeting the following
7 requirements, shall be so classified;

8 (i) when the expansion has no unfavorable or adverse
9 effects on the property surrounding the facility, and
10 (ii) when the immediate cost of additional local
11 services will be covered by the tax impact of the facility,
12 or the expanded facility will meet these needs by its own
13 resources, and

14 (iii) when the new facility will create new economic
15 opportunities for those living in the community, and

16 (iv) when the new facility will not have an adverse
17 effect on natural resources or scenic characteristics of the
18 area, and

19 (v) when the development has been planned for and
20 coordinated with the governing body.

21 (c) Class C - those lands and/or facilities which
22 when remodeled or expanded will;

23 (i) cause a tax burden in the community because the
24 expansion will require added community services to meet the
25 impact,

1 (ii) not cause an unfavorable or adverse effect on the
2 community,

3 (iii) the impact causes an increase in population by
4 adding one percent (1%) or more population measured in a
5 fifty (50) mile radius from the point of expansion, or

6 (iv) provide needed and desired economic impact in the
7 community.

8 (d) Class D -- those lands and/or facilities which
9 when remodeled or expanded will:

10 (i) cause a tax burden on the community because the
11 expansion will require additional community services to meet
12 the impact,

13 (ii) cause an unfavorable or adverse effect on the
14 community, or

15 (iii) cause an increase in population by adding one
16 percent (1%) or more population to the community when
17 measured in a fifty (50) mile radius from the point of
18 expansion.

19 Section 14. Taxation of classified industrial land.
20 Within one (1) year after the alteration of existing
21 industrial property, dating from the time of the actual
22 start of construction the following tax changes shall be
23 made:

24 Location

Industrial Classification

25 ~~CLASS-A-----CLASS-B-----CLASS-C-----CLASS-D~~

1 Agrestitural-----0-----+10-----+30-----+100-----+100-----
 2 Recreational-----+50-----+75-----+100-----+200-----+200-----
 3 Residential-----0-----+10-----+30-----+100-----+100-----
 4 Commercial-----25-----10-----0-----+50-----+50-----
 5 Industrial-----50-----25-----10-----+25-----+25-----
 6 Open-Space-----N.P.-----N.P.-----N.P.-----N.P.-----N.P.-----
 7 N.P.-----Not-Permitted

	CLASS A	CLASS B	CLASS C	CLASS D	
8	AGRICULTURAL	+100	+30	+10	0
9	RECREATIONAL	+200	+100	+75	+50
10	RESIDENTIAL	+100	+30	+10	0
11	COMMERCIAL	+50	0	-10	-25
12	INDUSTRIAL	+25	-10	-25	-50
13	OPEN SPACE	N.P.	N.P.	N.P.	N.P.

(N.P. - NOT PERMITTED)

14 Section 15. New industrial land. New industrial land which will be of economic benefit to Montana shall be taxed and classified as follows:

- 15 (1) Class A. This classification of land shall be for those new facilities which meet the following standards:
- 16 (a) An area which is planned for orderly development and has through its study shown the governing body it will meet the following minimum standards:
- 17 (i) It would have sufficient water available for its foreseeable needs.

- 18 (ii) It would not have significant adverse effects on the natural environment and would not cause undue air or water pollution.
- 19 (iii) It would not adversely affect existing land uses, scenic characteristics, natural resources or property values.

20 (iv) It would have or provide adequate sewage and solid waste disposal facilities.

21 (v) It would have, as already established, within a community, or provide if needed, to meet the following facilities to meet its anticipated population influx into the community:

- 22 (A) school, hospital and other social needs;
- 23 (B) street or highway development;
- 24 (C) parks, playgrounds and recreation developments;
- 25 (D) housing or areas for housing development;
- 26 (E) shopping facilities or see that another source develops adequate facilities to meet minimum needs.

27 (2) Class B. This classification of land or usage shall be for those new facilities which meet the following standards:

- 28 (a) An area which is planned for orderly development and has through its study shown the governing body it will meet the following minimum standards:

29 (i) It would have sufficient water available for its

1 foreseeable needs.

2 (ii) It would not have significant adverse effects on

3 the natural environment and would not cause undue air or

4 water pollution.

5 (iii) It would have as already established within a

6 community, or provide if needed, to meet the following

7 facilities to meet its anticipated population influx into

8 the community:

9 (A) school, hospital and other social needs;

10 (B) street and or highway development;

11 (C) parks, playgrounds and recreation developments.

12 (3) Class C. This classification of land or usage

13 shall be for those new facilities, which plan for the

14 orderly growth, but make no attempt to meet proposed needs.

15 (4) Class D. This classification or usage governs

16 that new usage which does not attempt to, or provide a

17 development plan accepted by the governing body.

18 Section 16. Taxation and classification of new

19 industrial land. Within one (1) year after the start of

20 construction of a new industrial facility the following tax

21 adjustments shall be made. The adjustments are in addition

22 to current evaluation standards.

Location	Developed Land Classification		
CLASS A	CLASS B	CLASS C	CLASS D
+25	+35	+75	+100

1	Recreational	+25	+45	+05	+25
2	Residential	+10	+20	+50	+75
3	Commercial	-25	-15	+25	+50
4	Industrial	-50	-25	+10	+25
5	AGRICULTURAL	+100	+75	+35	+25
6	RECREATIONAL	+125	+85	+45	+25
7	RESIDENTIAL	+75	+50	+20	+10
8	COMMERCIAL	+50	+25	-15	-25
9	INDUSTRIAL	+25	+10	-25	-50

10 Open Spaces N.P. N.P. N.P. N.P. N.P.

11 N.P. - Not Permitted

12 Section 17. Open space. After classification, any

13 classified usage may be reclassified into open space for the

14 following purposes:

- 15 (1) To assist in developing green belts and providing
- 16 needed open space both the private sector and the public,
- 17 may acquire or dedicate open space. If open space is
- 18 acquired by the governing body, it must be:
- 19 (a) essential to the orderly growth and development of
- 20 the area;
- 21 (b) in accordance with the program of comprehensive
- 22 planning for the area at the time of its creation; and
- 23 (c) in accordance with the provisions of Montana law.
- 24 (2) Open space may be acquired by the governing body
- 25 by purchase, trade or other means available other than

1 condemnation. Once land is classified as open space, it
 2 must remain as such until it is determined by the governing
 3 body to be out of phase with the master plan, at which time
 4 the land may be traded for a feasible equivalent. Open
 5 space land, once declared, either by the governing body or
 6 the public, may not be sold.

7 Section 18. Taxation of open space. Open space shall
 8 be taxed in the following manner:

9 (1) If a private owner dedicates land as open space,
 10 it will remain forever off the tax base and the owner of
 11 record will receive, in tax credits, an amount equal to the
 12 fair market value of the land from the governing body.
 13 (2) Open space land dedicated in any agricultural zone
 14 may be used for agricultural as directed by the governing
 15 body, by the original owner at the time of transfer and any
 16 successors owning the property.

17 (3) No owner may classify more than ten percent (10%)
 18 of his land open space without the permission of the
 19 governing body, however, he may place any amount into
 20 recreational land as defined by this act.

21 (4) If timber land is removed from the tax base
 22 through this classification, it may not be harvested for
 23 profit and may be cut only for the advancement of
 24 recreational purposes.

25 Section 19. Special conditions. (1) No provision of

1 this act shall provide local government units from levying
 2 cost escalations or tax decrease into their tax levies to
 3 compensate for inflation or reductions due to changes in
 4 physical needs.

5 (2) Any land classified under this act may be, at the
 6 owner's option, reclassified at any time to a new
 7 classification within categories if allowed under the
 8 requirements of that classification.

9 (3) Any property under one (1) or more ownerships may
 10 be so classified as to meet one (1) or more of the standards
 11 of this act.

12 (4) Hospitals, churches, rest homes, nursing homes,
 13 governmental buildings, schools, colleges, or any other
 14 charitable institution operating on a nonprofit basis under
 15 section 84-202, may be located in any area of land so
 16 classified by this act, with the exception of recreational
 17 or open space classification.

18 Section 20. Rules and regulations. State government
 19 shall adopt such rules and regulations pursuant to Montana
 20 Administrative Procedure Act, as are necessary for the
 21 administration of this act.

22 SECTION 21. EXEMPTIONS FROM ACT. APPLICATION TO THOSE
 23 OVER SIXTY-TWO (62) YEARS OF AGE AND TO THOSE EXISTING BELOW
 24 POVERTY STANDARDS. NO PROVISION OF THIS ACT WHICH HAS A
 25 NEGATIVE OR ADVERSE TAXATION EFFECT SHALL APPLY TO A PRIVATE

1 RESIDENCE OWNED BY A PERSON OR PERSONS OVER SIXTY-TWO (62)
2 YEARS OF AGE OR THOSE IN AN INCOME BRACKET ESTABLISHED BY
3 THE FEDERAL GOVERNMENT TO BE BELOW POVERTY STANDARDS.

4 Section 22. Severability. If any provision of this
5 act or its application to any person or circumstance is held
6 invalid, the remainder of the act, or the application of the
7 provisions to other persons or circumstances, is not
8 affected.

9 SECTION 23. ANY PORTION OF THIS ACT SHALL BE EFFECTIVE
10 JULY 1, 1975, WHICH AFFECTS PROPERTY OR LAND CLASSIFIED BY
11 AND ADMINISTERED UNDER CURRENT LOCAL ZONING LAWS. ALL OTHER
12 PROPERTY OR LAND SHALL FALL UNDER THE PROVISIONS OF THIS ACT
13 AFTER THE PROVISIONS OF SECTION 5 HAVE BEEN MET.

-End-

HOUSE BILL NO. 672

1
 2 INTRODUCED BY FAGE, FABREGA, KEHLIS, DASSINGER, STOLTZ,
 3 TEAGUE, HAGER, JOHNSON, SLOAN, MURPHY, WILLIAMS, HOLMES,
 4 HUENEKENS, KASHUSSEN, LORY, THOMAS, LOCKERH, MERCER, BRAND
 5
 6 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A
 7 PROCEDURE FOR THE ECONOMIC DEVELOPMENT OF MONTANA THROUGH
 8 LOCAL GOVERNMENTAL CONTROL, BASED ON LAND GROWTH PATTERNS
 9 ESTABLISHED THROUGH ECONOMIC VALUE AS A SUPPLEMENT TO ZONING
 10 WITH ECONOMIC INCENTIVES AND PENALTIES; PROVIDING
 11 AUTHORIZATION TO LOCAL GOVERNMENTS TO DEVELOP PLANNED
 12 DEVELOPMENT PROCEDURES; AND PROVIDING STANDARDS OF LAND
 13 USAGE; AND PROVIDING AN EFFECTIVE DATE."

will:

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 - 25
- (1) enable local control and local decisions to be foremost in determining the state growth pattern;
 - (2) allow taxation on land and structures to be based on proper land utilization; providing for tax incentives for proper land utilization and tax increases for land developmental abuse;
 - (3) create a land use policy which does not block economic progress, but rather the development of a program which will meet the social and economic standards necessarily brought about through economic progress;
 - (4) develop a program which protects our state's beauty and natural features as well as our heritage of agricultural wealth by curbing urban sprawl; and
 - (5) institute a landuse system growth program which reduces SUPPLEMENTAL zoning and ~~unnecessary governmental~~ ~~regulatory~~ which is structured through local control, and one which is not to be final in action, but rather one of continuing action, whereby land use decisions can continually be reevaluated AND ONE WHICH WOULD AID UNNECESSARY GOVERNMENTAL REGULATIONS.

Section 3. Purpose. Montanans are faced with a nation hungry for timber, coal, minerals, and recreation opportunities, causing a future in Montana whose heritage appears headed for rapid development and growth. This act,

1 therefore, is designed to meet Montana's needs in a unique
 2 way; by reducing the need for zoning and other land control
 3 measures and placing our future development under a free
 4 market system controlled not by land regulation, but by
 5 economics. Specific goals are:

6 (1) to protect prime agricultural land as it is the
 7 backbone of today's Montana economy and the heart of
 8 tomorrow's need for a well-fed and healthy economy, keeping
 9 Montana's position, in the future, as the bread basket of
 10 the nation;

11 (2) to encourage urban growth in an inward pattern,
 12 rather than a sprawl development, yet through the use of
 13 open space provide a greater percentage of open land and a
 14 higher density on developed land within the urban area;

15 (3) to guide industrial and commercial development in
 16 Montana;

17 (4) to develop a program which is controlled and
 18 directed on a local level, within the actual land use
 19 direction and classification left wherever possible with the
 20 local land owner; and

21 (5) in general, to provide for Montana a land use
 22 directional policy which will not regulate our future but
 23 rather motivate it into a pattern of desirable economic
 24 growth based on the development of private enterprise.

25 Section 4. Definitions. As used in this act:

1 (1) "Land density" means the number of persons living
 2 on the land based on those established as present
 3 residents; ~~the land density value shall be based on any~~
 4 ~~combination of land area to bring about the largest~~
 5 ~~possibility of residents per acre. PER ACRE. IN DETERMINING~~
 6 ~~DENSITIES UNDER THE PROVISIONS OF THIS ACT IT SHALL BE TAKEN~~
 7 ~~ON THE NUMBER OF ACRES OF THE PROPOSED DEVELOPMENT OR~~
 8 ~~PORTION OF LAND DEVELOPED PLUS THE AVERAGE DENSITY OF THE~~
 9 ~~LAND ADJOINING THE PROPERTY AND EXTENDING BEYOND IT THREE~~
 10 ~~HUNDRED (300) FEET IN EACH DIRECTION.~~

11 (2) "Agricultural land" means land which is currently
 12 being used or could be used for floriculture, horticulture,
 13 general farming, dairying, poultry raising, stock raising,
 14 and other agricultural related uses, including, but not
 15 limited to, buildings and activities.

16 (3) "Developed land" means land developed or used for
 17 residential industrial or commercial use.

18 (4) "Urban land" means land which is developed for the
 19 purpose of providing community or regional trade centers,
 20 whether incorporated or unincorporated, generally considered
 21 commercial centers as defined by the local governing body.

22 (5) "Productive land" means the following land with a
 23 potential for profitability being used for profit:

- 24 (a) irrigated cropland;
- 25 (b) non-irrigated cropland;

1 (c) pasture;
 2 (d) range;
 3 (e) irrigated native grassland;
 4 (f) forest and woodland;
 5 (g) other land which could be used for the production
 6 of food and fibre for profit.
 7 (6) "Nonproductive land" means land which will not
 8 support growth for the production of food and fibre for
 9 profit.
 10 (7) "Open space" means land as defined in section
 11 62-603.
 12 (8) "Planned development" means the development of a
 13 piece of land in such a manner that is determined by the
 14 governing body to entail the highest and best possible
 15 development for that land, in a manner encouraging open
 16 space and high density use.
 17 (9) "Governing body" means the board of county
 18 commissioners or the city council of incorporated cities in
 19 which the land lies. If the land under question is in more
 20 than one (1) county, the governing body of each county shall
 21 be represented by one (1) or more of their membership on a
 22 regional basis, and in equal numbers from each county.
 23 (10) "Industrial" refers to a district or use in which
 24 the principal use of the land shall be for the manufacturing
 25 or conversion of a material or product into a secondary

1 usage for sale or profit. Specific uses shall include
 2 manufacturing, processing, dismantling, refining,
 3 production, and mining.
 4 (11) "Recreational" means land or portions of land
 5 primarily designated as space for outdoor activities
 6 conducted by individuals for fun and relaxation, including,
 7 but not limited to, organized sports, games, hunting,
 8 fishing, hiking, backpacking, swimming, and other related
 9 outdoor activities.
 10 (12) "Residential" refers to a district or portion of
 11 land in which the principal use of the land is for
 12 residential construction, habitat and land development of
 13 varying densities designed to meet contemporary building and
 14 living standards.
 15 (13) "Taxable value OR VALUE" ~~means assessed value less~~
 16 ~~forty percent (40%)~~ MEANS THAT VALUE DETERMINED UNDER TITLE
 17 24, R.C.M. 1947, FOR LAND AND IMPROVEMENTS.
 18 (14) "Construction period" means that period designated
 19 by the issuance of a building permit, or in the case where
 20 building permits are not granted, the breaking of ground for
 21 construction purposes.
 22 (15) "Economic benefit" means the development of, or
 23 expansion of, an existing facility which through the
 24 provision of jobs or new taxable base, provides additional
 25 economic opportunity within an area for the citizens of the

1 state and its owners.
 2 (16) "Budget period" means the period of time, from the
 3 start to finish of a growing season for agricultural land,
 4 or the construction period in the case of a new or
 5 recommended construction.

6 (17) "State administering agency" means the department
 7 of intergovernmental relations and the department of revenue
 8 acting jointly to administer this act. All planning
 9 functions required to administer this act shall be assigned
 10 to the department of intergovernmental relations and all
 11 taxation responsibilities shall be assigned to the
 12 department of revenue.

13 (18) "Roll back" means the rolling back of a period of
 14 years for tax purposes. The taxes to be paid during this
 15 roll back period being the difference paid from the normal
 16 appraisal value and the appraised value determined by this
 17 act.

18 (20) "Single family" is a designation given to
 19 residential land whereby only one (1) family lives in each
 20 structure erected or existing upon the land.

21 (21) "Multifamily" is a designation given to
 22 residential land whereby more than one (1) family lives in
 23 each structure existing, remodeled, or built upon a given
 24 piece of land.

25 (22) "Remodeling" means the changing in value of a

1 structure, building, or other man-made object either through
 2 painting, reconstruction, or other manner wherein its value
 3 is increased one percent (1%) or more, said increase in
 4 value to be determined by the governing body after the
 5 proposed change or alteration is made.

6 Section 5. Operation. (1) Within two (2) years of
 7 the passage of this act the governing body shall set
 8 standards wherein their jurisdictional area is classified
 9 into general areas described in this section. The
 10 classification by the governing body shall be made after the
 11 following steps have been taken regarding the lands in their
 12 jurisdictional areas:

- 13 (a) a complete inventory of the land and its usage by
- 14 the governing body, including:
 - 15 (i) land types, based on federal standards;
 - 16 (ii) the floodplain of all streams and rivers;
 - 17 (iii) current vegetation patterns, i.e., cropland,
 - 18 irrigated land, rangeland, nonproductive land;
 - 19 (iv) developed land; and
 - 20 (v) all federal, state, or Indian land.

21 Decisions shall be coordinated with the department of
 22 revenue.

23 (2) After collection of this data it shall be
 24 displayed in public for a minimum of thirty (30) days.
 25 During the period the material is displayed there shall be

1 shall then be submitted to the state administration agency
2 not later than January 2, 1978. If a city or county has
3 failed to prepare this classification within the required
4 time, the department of intergovernmental relations or its
5 agent shall prepare the classification. The categories are:

- 6 (a) agricultural;
- 7 (b) recreational;
- 8 (c) residential;
- 9 (d) commercial;
- 10 (e) industrial; and
- 11 (f) open space.

12 Section 6. Classification. The department of
13 intergovernmental relations shall conduct hearings upon the
14 classifications of land according to desirable use proposed
15 by each governing body within the county and shall, after
16 considering the record of such hearings, make the final
17 classification of the desirable usage of land in each county
18 as proposed by the governing body if such proposals are in
19 accordance with the following criteria:

- 20 (1) Taxable land shall be classified as agricultural
- 21 when such action would:
- 22 (a) encourage the preservation of prime agricultural
- 23 soils, or
- 24 (b) encourage the preservation of those limited areas
- 25 of the state which contain the proper combination of soil

1 notification made of a public meeting at which time the
2 materials will be displayed, described, and the method of
3 classification will be explained to the general public. Any
4 changes of land classification suggested shall be taken
5 under advisement by the governing body and at their
6 discretion be encompassed into the land classification.

7 (3) Within one hundred twenty (120) days of the
8 classification the governing body shall indicate on a map
9 the proposed land classification for all the land in their
10 jurisdictional area and so notify all land owners in the
11 jurisdictional area, by registered mail. This notification
12 shall include, but not be limited to:

- 13 (a) the classification, or classifications, given the
- 14 individual land owners' land;
- 15 (b) the meaning of the classification; and
- 16 (c) a time and place for a hearing, within the next
- 17 thirty (30) days to have public meetings to discuss the
- 18 general classification(s).

19 (4) Following the public meeting the governing body
20 may or may not reclassify any land to follow request made at
21 the meeting.

22 (5) A final land use plan shall then be prepared by
23 the governing body, which plan shall reflect a combination
24 of existing uses of land in a manner which through prudent
25 use encompasses both growth and conservation. This plan

1 and topographical characteristics necessary for intense
2 agricultural development, or

3 (c) discourage those uses and activities which are
4 incompatible with the rural character of a district, or
5 (d) provide minimal development standards which would
6 assure the continuation of the open and rural character of
7 the district and permit only those uses and activities which
8 are compatible with this rural character.

9 (2) Taxable land shall be classified as recreational
10 when such action would:

11 (a) discourage those uses and activities which would
12 create congestion, noise, or hazards incompatible with
13 recreation activities established on the land, or
14 (b) encourage the continuation or initiation of
15 outdoor recreation on suitable lands.

16 (3) Taxable land shall be classified as residential
17 when such action would:

18 (a) conserve the character of established residential
19 neighborhoods as has been done by municipal zoning, or
20 (b) encourage the growth of cities and towns in
21 efficient patterns while discouraging wasteful urban sprawl,
22 or

23 (c) open new lands to residential areas provided such
24 usage consists of utility expansion, streets, and other
25 needed and related facilities such as schools and commercial

1 developments, if such development is considered necessary by
2 the governing body.

3 (4) Taxable land shall be classified as industrial
4 when such action would:

5 (a) be in character with existing uses, or
6 (b) shield the surrounding area from noise, glare,
7 pollution, or other actions or activities objectionable to
8 the general public, or

9 (c) provide areas of land contiguous rather than
10 spread over the community or area and located in such
11 locations where the prevailing wind and water flow pattern
12 is favorable to the inhabitants of the area.

13 (5) Taxable land shall be classified as commercial
14 when:

15 (a) it would be in character with existing uses, or
16 (b) it is located in such a pattern or manner to
17 provide needed services to a growing community, or

18 (c) its highest and best use is determined to be
19 commercial, said usage being based on decisions of mutual
20 advantage of both customers and merchants, or

21 (d) when the classification of the land will promote
22 the most desirable developments in each area, conserve the
23 value of land, and thus promote public safety, convenience,
24 prosperity, and welfare.

25 (6) Taxable land may be taken from the tax base and

1 classified open space, whether public or private, when:
 2 (a) it is to the public benefit to provide for the
 3 preservation of permanent open space, green belts, or
 4 similar landscape features, or
 5 (b) such action will provide land to screen or
 6 otherwise hide through visual control objectionable man-made
 7 features, or

8 (c) such action will provide land to encourage,
 9 assist, and provide means for more desirable urban and rural
 10 developments.

11 (7) Such classifications of desirable use shall be
 12 accepted by the department of revenue.

13 Section 7. Management of classified area. Once land
 14 is classified into a taxable classification, it shall be
 15 managed by the governing body to encourage its continued
 16 usage in that classification. Changes in classification
 17 shall be subject to review by the department, however, the
 18 department cannot override the decision of the ~~department~~
 19 GOVERNING BODY without cause, items for cause being:

20 (1) that the intended use in the reclassification of
 21 agricultural land would not be to the benefit of the general
 22 community because it would not:

23 (a) assure that those portions of the state containing
 24 prime agricultural soils would be preserved for agricultural
 25 purposes, or

1 (b) encourage the use and preservation of those
 2 limited and irreplaceable portions of the state which
 3 contain the proper combination of soil and topographical
 4 characteristics for intense agricultural development, or
 5 (c) prohibit uses of the land which would interfere
 6 with the development or continuation of agricultural uses in
 7 the area.

8 (2) That the intended use in the reclassification of
 9 recreational land would not be to the benefit of the general
 10 community because it would not:

11 (a) protect recreational development, so far as is
 12 possible and appropriate in each area, against the
 13 establishment of uses which would create hazards, offensive
 14 noise, or offensive activities, or

15 (b) protect existing recreational development against
 16 congestion, so far as is possible and diminish its
 17 effectiveness as a recreational unit.

18 (3) That the intended use by reclassification of
 19 residential land would not be to the benefit of the general
 20 community because it would not:

21 (a) encourage the construction of, and the continued
 22 use of, the land for various residential purposes, if in
 23 fact this was its best and natural usage, or

24 (b) prohibit commercial and industrial uses of the
 25 land and to prohibit any other use which would substantially

1 interfere with the development or continuation of
 2 residential uses, or
 3 (c) prohibit any use which because of its character or
 4 size creates requirements and costs for public services,
 5 such as police and fire protection, water supply and sewage
 6 facilities, substantially in excess of such requirements and
 7 costs if the district were developed solely for residential
 8 purposes.

9 (*) That the intended use by reclassification of any
 10 land category to industrial land would not be to the benefit
 11 of the general community because its reclassification would
 12 not:

13 (a) provide facilities to minimize traffic congestion,
 14 or
 15 (b) provide for facilities and the operation of
 16 industries which minimize noise, glare, air pollution, water
 17 pollution, and fire and safety hazards in industrial
 18 districts, or

19 (c) provide beneficial, social, and economic pattern
 20 of growth for the area in which the land so classified
 21 occurs, or

22 (d) provide protection from offensive noise,
 23 vibration, smoke, dust, odors, heat, glare, or other
 24 objectionable influences.

25 (5) That the intended use by reclassification of any

1 land category to commercial land would not be to the benefit
 2 of the general community because its reclassification would
 3 not:

4 (a) provide protection from offensive noise,
 5 vibration, smoke, and heavy traffic, or

6 (b) provide sufficient space in appropriate locations
 7 for the transaction of all types of commercial and
 8 miscellaneous service activities in beneficial relation to
 9 one another, and thus to strengthen the economic base of the
 10 community, or

11 (c) provide appropriate space, and in particular
 12 sufficient depth from the street, to satisfy the needs of
 13 modern commercial development, including the need for
 14 off-street parking in areas where a large proportion of
 15 customers come by automobile, or

16 (d) encourage the tendency of commercial development
 17 to concentrate, to the mutual advantage of both customers
 18 and merchants, and the urban pattern of growth.

19 (6) Once classified as open space, no land so
 20 classified may be reclassified until the provisions of
 21 section 62-603 have been met.

22 Section 8. Subclassification of land. Under the
 23 provisions of this act the land outside the jurisdictional
 24 boundary of a city or town, which is classified either
 25 agricultural or recreational may be subclassified by the

1 owner subject to the terms of sections 9 and 10.

2 Section 9. Subclassification by owners of taxable land
3 classified as agricultural. (1) Within twelve (12) months
4 following the classification of taxable land as
5 agricultural, an owner thereof shall elect to subclassify
6 his lands into classes A, B, C, or D, or any combination
7 thereof. The department of revenue, upon receipt of the
8 owner's election, shall revise the previously appraised
9 value of such lands as follows:

10 Class A -- appraisals shall be reduced ten percent
11 (10%) from their levels immediately preceding;

12 Class B -- appraisals shall be reduced five percent
13 (5%) from their levels immediately preceding;

14 Class C -- appraisals shall be reduced two percent (2%)
15 from their levels immediately preceding;

16 Class D -- appraisals shall be increased ten percent
17 (10%) from their levels immediately preceding, and may be
18 revalued in future years as provided by law to reflect
19 market value.

20 (2) The owner of class A land, his heirs, successors,
21 or assigns, may not convert the use of such lands to any
22 nonagricultural purpose for fifty (50) years, nor may the
23 subclassification be changed for fifty (50) years.

24 (3) The owner of class B land, his heirs, successors,
25 or assigns, may not convert the use of such land to any

1 nonagricultural purpose for ten (10) years, nor may the
2 subclassification be changed for ten (10) years.

3 (4) The owner of class C land, his heirs, successors,
4 or assigns, may change the subclassification within the
5 agricultural classification at any time, and may petition
6 the department of revenue at any time for reclassification
7 into another category. The department may grant this
8 petition upon payment by the petitioner of the difference in
9 taxes which would have been paid since the subclassification
10 or ten (10) years, whichever is less, if during that period
11 the land has been subclassified as class D.
12 (5) The owner of class D land, his heirs, successors,
13 or assigns, may petition the department of revenue for
14 reclassification into another category at any time, which
15 petition shall be granted.

16 (6) If a voluntary subclassification of land has not
17 been made by the owner of record within the one (1) year
18 period, the department of revenue shall automatically place
19 the land in class D and it shall remain in this
20 classification until the owner requests its placement into a
21 different classification.

22 Section 10. Subclassification by owners of taxable
23 land classified as recreational. (1) Within twelve (12)
24 months following the classification of taxable land as
25 recreational, an owner thereof shall elect to subclassify

1 any or all of his lands into class A, class B, or a
 2 combination of the two AND AS SUCH RECEIVE TAX CREDITS IN
 3 ADDITION TO THOSE LISTED UNDER ANY OTHER PORTION OF THIS
 4 ACT.

5 (2) The department shall appraise class B lands at
 6 their market value as recreational lands.

7 (3) The department of revenue, upon receipt of the
 8 owner's election, shall reduce the previously appraised
 9 value of class A lands that portion assigned to recreation
 10 by twenty-five percent (25%) and shall thereafter maintain
 11 such appraisals at seventy-five percent (75%) of the value
 12 ~~which~~ of the land would have if it were class B SO LONG AS
 13 IT REMAINS CLASS A.

14 (4) The owner of class A land, his heirs, successors,
 15 and assigns, shall agree with the department of fish and
 16 game for a minimum of ten (10) years to permit public access
 17 across the land for outdoor recreational purposes, subject
 18 to such limitations for the protection of the land and the
 19 privacy of the persons residing thereon as the owner may
 20 stipulate. If this agreement or a renewal thereof is not in
 21 force, the subclassification of the land reverts to class B.
 22 The owner of class A recreational land, his heirs,
 23 successors, and assigns may not change the use of such land
 24 to any purpose incompatible with established recreational
 25 uses during the term of an agreement with the department of

1 fish and game.

2 (5) The owner of class B land, his heirs, successors,
 3 and assigns, ~~may petition the department for~~
 4 ~~reclassification into another category at any time, which~~
 5 ~~petition shall be granted.~~ SHALL AGREE THAT IN ADDITION TO
 6 MEETING THE STANDARDS OF SECTION 10, SUBSECTION (4) OF THIS
 7 ACT THAT THEY FURTHER WOULD AGREE TO ALLOW PUBLIC CAMPING
 8 AND OVERSIGHT STAY UPON THEIR PROPERTY IN DESIGNATED
 9 LOCATIONS WITHOUT CHARGE.

10 (6) THE DEPARTMENT OF REVENUE, IN ADDITION TO ANY
 11 OTHER TAX SCHEDULE PLACED ON THE LAND, SHALL REDUCE THE
 12 PREVIOUSLY APPRAISED VALUE OF CLASS A LAND THAT PORTION
 13 ASSIGNED RECREATION BY A VALUE OF FORTY PERCENT (40%) AND
 14 SHALL THEREAFTER MAINTAIN SUCH APPRAISALS AT SIXTY PERCENT
 15 (60%) OF THE LAND SO LONG AS IT REMAINS CLASS B.

16 Section 11. Valuation of residential land. After
 17 classification as residential land, whether occupied or not,
 18 THE LAND shall not change in value for tax purposes unless
 19 it meets or is governed by the following provisions:

20 (1) Class A — existing residential. Tax valuation
 21 changes shall be made in the following manner:

22 (a) If the existing usage is expanded or remodeled to
 23 expand land densities to A LEVEL TEN PERCENT (10%) HIGHER
 24 THAN THE PROPERTY SURROUNDING THAT EXPANDED OR REMODELED
 25 BASED ON A MEASUREMENT OF THREE HUNDRED (300) FEET FROM THE

1 PROPERTY LINE OF THE PIECE OF PROPERTY BEING EXPANDED OR
2 REMODELED, THEN the conditions of class C new residential
3 (multifamily) shall be followed.

4 (b) If existing residential property is remodeled to
5 increase its valuation, or if a totally new development
6 occurs, a tax credit in the amount of the remodeling or
7 development costs shall apply for the first five (5) years
8 after the remodeling or development, reducing in an amount
9 of twenty percent (20%) per year for the five (5) year
10 period.

11 (c) Residential land whose usage is altered to one
12 other than residential shall be taxed at forty percent (40%)
13 over the normal for that usage in the state, unless the
14 change is approved by the governing body. This increase
15 shall apply for the first ten (10) years, after which no
16 additional tax shall be levied. If said improvement is
17 approved by the governing body, it shall be taxed as
18 described in ~~sections 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100~~ SECTION 11, SUBSECTION
19 (3).

20 (d) If residential land is transferred from this
21 category to any class of agricultural land, after the
22 enactment of this act, there shall be an immediate tax
23 relief directly proportionate to the class of the land into
24 which the transferred land is reclassified.

25 (2) Class B - new residential (single family). Any

1 land which is converted to new residential shall be
2 classified as follows:

3 (a) Land transferred from productive land shall be
4 taxed in accordance with the appropriate sections of this
5 act with the following exceptions:

6 (i) Land indicated as a planned unit developed and
7 approved by the governing body shall be classified for tax
8 purposes at ten percent (10%) below the normal tax in the
9 area for similar developments.

10 (ii) Land transferred from nonproductive land to
11 residential purposes shall be classified at the time of
12 transfer in an amount to decrease the tax valuation as
13 follows:

14 Land within the 20% a year for

15 jurisdictional a period of 5

16 a 1/2 mile limit years

17 of a community

18 Land within a 10% a year for

19 limit of a 1/2 miles a period of 5

20 to 10 miles from years

21 the jurisdictional limit

22 Land beyond the 5% a year for

23 a 1/2 mile limit, MEASURED a period of 5 years

24 FROM THE FOUR AND ONE-HALF

25 (b-1/2) MILE LIMIT OF THE

25

1 NEAREST INCORPORATED CITY

2 IN A DIRECT LINE

3 (iii) Land taken out of production and transferred to

4 residential shall in addition to any other provision of this

5 act to increase taxable valuation in the following amounts:

6 Land within the 2% a year for

7 jurisdictional a period of 10

8 a 1/2 mile limit years

9 of a community 20% a year for

10 Land within a a period of 10

11 limit of 1/2 miles a period of 10

12 to 10 miles from years

13 the jurisdictional limit

14 Land beyond the 50% a year for

15 1/2 mile limit, MEASURED a period of 10

16 FROM THE FOUR AND years

17 ONE-HALF (4 1/2) MILE LIMIT

18 OF THE NEAREST INCORPORATED

19 CITY IN A DIRECT LINE

20 (3) Class C -- new residential (multifamily). Land

21 which is transferred from any use to multifamily in addition

22 to any other provision of this act shall be classified as

23 follows:

24 Highest density of area OF Change in Appraised value of

25 the land ~~is~~ reclassified appraised the improvement

1 ~~free-is-contiguous-to~~ land over base

2 0-10% 0-1 +50% +50%

3 10-20% 1-3 +40% +25%

4 20-30% 3.1-9 +30% +25%

5 4-0-2-0% 9.1-18 +10% + 2%

6 2-0-2-0% 18.1-36 No change No change

7 3-0-4-0% 36.1-54 -10% -10%

8 4-0-8-0% 54 AND OVER -20% -25%

9 (*) Class D - commercial land. Land converted to

10 commercial development within the classification of

11 residential land shall be, in addition to any other portion

12 of this act, classified as follows:

13 Highest density of area OF Change in Appraised value of

14 the land ~~is~~ reclassified appraised the improvement

15 ~~free-is-contiguous-to~~ land over base

16 0-10% 0-1 +20% +10%

17 10-20% 1-3 +10% + 5%

18 20-30% 3.1-9 + 5% + 2%

19 4-0-2-0% 9.1-18 No change No change

20 2-0-2-0% 18.1-36 -10% - 5%

21 ~~over-2-0%~~ 36.1-54 -15% -10%

22 54 AND OVER -25% -15%

23 Section 12. After classification as commercial, land,

24 whether occupied or not, shall not change in value for tax

25 purposes unless it meets or is governed by the following

1 provisions:

2 (1) Class A - open undeveloped land. Open undeveloped
 3 land within the boundaries set as urban land which has value
 4 and is not designated for usage as a parking area or park,
 5 and developed as such within two (2) years from the
 6 effective date of this act, shall be subject to taxation in
 7 the following method (after the two (2) year grace period):

8	1st year taxation - no change;
9	2nd year taxation - +2% over valuation/year;
10	3rd year taxation - +10% over valuation/year;
11	3-5 years taxation - +20% over valuation/year;
12	over 5 years - +30% over valuation/year.

13 (2) Class B - existing improved land. All land in a
 14 commercial class shall remain in the same taxable base until
 15 expanded or remodeled. No expansion or remodeling shall
 16 occur without approval of the governing body.

17 Upon remodeling or improving, it shall receive a tax
 18 credit in the amount of its valuation change which shall
 19 apply as a tax credit against the property for a period of
 20 five (5) years, reducing in an amount of twenty percent
 21 (20%) per year.

22 (3) Class C - existing improved land. Existing real
 23 estate developments shall be frozen in their existing tax
 24 base for a period of ten (10) years, unless remodeled, where
 25 section 11(1)(a) shall apply. If not remodeled after ten

1 (10) years, the following shall apply:

2 Age of structure

3	after 10 year	Tax increase in years delay			
4	base period	1-5	5-10	10-15	15 and over
5	10-12	1%	2%	4%	5%
6	12-15	2%	4%	6%	8%
7	15-20	4%	8%	12%	16%
8	21-25	10%	12%	16%	18%
9	26-30	15%	18%	20%	24%
10	31-40	25%	28%	30%	35%
11	40-50	40%	45%	50%	60%
12	50-over	50%	60%	75%	100%

13 (4) Class D - New improved land.

14 (a) The construction cost and land cost of any
 15 commercial development within a classified commercial or
 16 residential area shall not be taxed for its construction
 17 period and for a period of two (2) years after occupancy.

18 (b) Following the nontaxable period as indicated in
 19 (4) (a) improvements shall be taxed in increments as
 20 follows:

21	Commercial land	Residential land
22	1 ten percent (10%)	1 thirty three & one third
23	increase in valuation	percent (33 1/3%)
24	per year until a total	increase in valuation
25	value for tax purposes	per year until a total

1 is one hundred percent value for tax purposes
 2 (100%) of value is one hundred percent
 3 (100%) of value
 4 THE TOTAL COST OF LAND AND IMPROVEMENTS DEVELOPED AS PER
 5 COMMERCIAL PROPERTY SHALL BE TAXED AS FOLLOWS:
 6 COMMERCIAL LAND LOCATION TAXABLE SCHEDULE
 7 (I) LAND WITHIN AND IMPROVEMENTS SHALL BE
 8 EXTENDING FIVE HUNDRED TAXED IN ADDITIONAL
 9 (200) FEET BEYOND THAT INCREMENTS AS FOLLOWS:
 10 AREA DESIGNATED BY THE A TEN PERCENT (10%)
 11 GOVERNING AUTHORITY AS INCREASE IN VALUATION PER
 12 THE CENTRAL BUSINESS YEAR UNTIL A TOTAL VALUE
 13 DISTRICT OF A COMMUNITY. FOR TAX PURPOSES IS ONE
 14 HUNDRED PERCENT (100%)
 15 OF VALUE.
 16 (II) LAND FROM THAT IMPROVEMENTS SHALL BE
 17 DESIGNATION UNDER TAXED IN ADDITIONAL
 18 SUBSECTION (A) (B) (C) INCREMENTS AS FOLLOWS: A
 19 AND THE CORPORATE THIRTY-THREE AND
 20 BOUNDARY OR CITY LIMITS. ONE-THIRD PERCENT
 21 (33 1/3%) INCREASE IN
 22 VALUATION PER YEAR UNTIL
 23 A TOTAL VALUE FOR TAX
 24 PURPOSES IS ONE HUNDRED
 25 PERCENT (100%) OF VALUE.

1 (III) LAND LYING FROM AN INCREASE IN TAXES
 2 THE CORPORATE BOUNDARY TO OVER THE NORMALLY
 3 THE FOUR AND ONE-HALF ASSESSED VALUE OF TEN
 4 (4 1/2) MILE LIMIT. PERCENT (10%) PER YEAR
 5 FOR A PERIOD OF TEN YEARS
 6 UNLESS GIVEN A WAIVER BY
 7 THE GOVERNING AUTHORITY.
 8 (IV) LAND LYING BEYOND AN INCREASE IN TAXES
 9 THE FOUR AND ONE-HALF OVER THE NORMALLY
 10 (4 1/2) MILE LIMIT. ASSESSED VALUE OF
 11 TWENTY-FIVE PERCENT (25%)
 12 PER YEAR FOR FIFTEEN (15)
 13 YEARS UNLESS GIVEN A
 14 WAIVER BY THE GOVERNING
 15 AUTHORITY.

16 Section 13. (1) Valuation of industrial land. After
 17 being classified as industrial, land, whether occupied or
 18 not, shall not change in value for tax purposes unless it
 19 meets or is governed by the following provisions:
 20 (1) Class A (existing industrial land). Tax valuation
 21 changes shall be made in the following manner:
 22 (a) Class A -- all lands existing at the passage of
 23 this act, in a category of developed land, which lands are
 24 to continue in their existing tax categories for ten (10)
 25 years, and which, at the end of ten (10) years, if not

1 remodeled or cleared, are to be taxed according to
2 commercial land class C;

3 (b) Class B -- those lands which expand an existing
4 facility either through the remodeling or through a value
5 increase of 10% or more from its approved value of an
6 existing location or the acquisition of land to expand an
7 existing facility, or both, meeting the following
8 requirements, shall be so classified;

9 (i) when the expansion has no unfavorable or adverse
10 effects on the property surrounding the facility, and
11 (ii) when the immediate cost of additional local
12 services will be covered by the tax impact of the facility,
13 or the expanded facility will meet these needs by its own
14 resources, and

15 (iii) when the new facility will create new economic
16 opportunities for those living in the community, and

17 (iv) when the new facility will not have an adverse
18 effect on natural resources or scenic characteristics of the
19 area, and
20 (v) when the development has been planned for and
21 coordinated with the governing body.

22 (c) Class C -- those lands and/or facilities which
23 when remodeled or expanded will;

24 (i) cause a tax burden in the community because the
25 expansion will require added community services to meet the

1 impact,

2 (ii) not cause an unfavorable or adverse effect on the
3 community,

4 (iii) the impact causes an increase in population by
5 adding one percent (1%) or more population measured in a
6 fifty (50) mile radius from the point of expansion, or

7 (iv) provide needed and desired economic impact in the
8 community.

9 (d) Class D -- those lands and/or facilities which
10 when remodeled or expanded will:

11 (i) cause a tax burden on the community because the
12 expansion will require additional community services to meet
13 the impact,

14 (ii) cause an unfavorable or adverse effect on the
15 community, or

16 (iii) cause an increase in population by adding one
17 percent (1%) or more population to the community when
18 measured in a fifty (50) mile radius from the point of
19 expansion.

20 Section 14. Taxation of classified industrial land.
21 Within one (1) year after the alteration of existing
22 industrial property, dating from the time of the actual
23 start of construction the following tax changes shall be
24 made FROM THE TAXABLE VALUE:

25 Location Industrial Classification

	CLASS A	CLASS B	CLASS C	CLASS D
1				
2	Agricultural	0	+10	+100
3	Recreational	+50	+75	+200
4	Residential	0	+30	+100
5	Commercial	25	10	+50
6	Industrial	50	25	+25
7	Open Space	N.P.	N.P.	N.P.
8	N.P. - Not permitted			
9	CLASS A	CLASS B	CLASS C	CLASS D
10	AGRICULTURAL	+100	+30	+10
11	RECREATIONAL	+200	+100	+75
12	RESIDENTIAL	+100	+30	+10
13	COMMERCIAL	+50	0	-10
14	INDUSTRIAL	+25	-10	-25
15	OPEN SPACE	N.P.	N.P.	N.P.

(N.P. - NOT PERMITTED)

17 Section 15. New industrial land. New industrial land
 18 which will be of economic benefit to Montana shall be taxed
 19 and classified as follows:

20 (1) Class A. This classification of land shall be for
 21 those new facilities which meet the following standards:
 22 (a) An area which is planned for orderly development
 23 and has through its study shown the governing body it will
 24 meet the following minimum standards:

25 (i) It would have sufficient water available for its

1 foreseeable needs.

2 (ii) It would not have significant adverse effects on
 3 the natural environment and would not cause undue air or
 4 water pollution.

5 (iii) It would not adversely affect existing land
 6 uses, scenic characteristics, natural resources or property
 7 values.

8 (iv) It would have or provide adequate sewage and
 9 solid waste disposal facilities.

10 (v) It would have, as already established, within a
 11 community, or provide if needed, to meet the following
 12 facilities to meet its anticipated population influx into
 13 the community:

14 (A) school, hospital and other social needs;

15 (B) street or highway development;

16 (C) parks, playgrounds and recreation developments;

17 (D) housing or areas for housing development;

18 (E) shopping facilities or see that another source
 19 develops adequate facilities to meet minimum needs.

20 (2) Class B. This classification of land or usage
 21 shall be for those new facilities which meet the following
 22 standards:

23 (a) An area which is planned for orderly development
 24 and has through its study shown the governing body it will
 25 meet the following minimum standards:

1 (i) It would have sufficient water available for its
 2 foreseeable needs.
 3 (ii) It would not have significant adverse effects on
 4 the natural environment and would not cause undue air or
 5 water pollution.
 6 (iii) It would have as already established within a
 7 community, or provide if needed, to meet the following
 8 facilities to meet its anticipated population influx into
 9 the community:

- 10 (A) school, hospital and other social needs;
- 11 (B) street and/or highway development;
- 12 (C) parks, playgrounds and recreation developments.
- 13 (3) Class C. This classification of land or usage
- 14 shall be for those new facilities, which plan for the
- 15 orderly growth, but make no attempt to meet proposed needs.
- 16 (4) Class D. This classification of usage governs
- 17 that new usage which does not attempt to, or provide a
- 18 development plan accepted by the governing body.
- 19 Section 16. Taxation and classification of new
- 20 industrial land. Within one (1) year after the start of
- 21 construction of a new industrial facility the following tax
- 22 adjustments shall be made. The adjustments are in addition
- 23 to current evaluation standards.

24 Location Developed Land Classification
 25 CLASS A CLASS B CLASS C CLASS D

1	Agricultural	+25	+35	+75	+100
2	Recreational	+25	+45	+85	+125
3	Residential	+10	+20	+50	+75
4	Commercial	25	15	+25	+50
5	Industrial	50	25	+10	+25
6	AGRICULTURAL	+100	+75	+35	+25
7	RECREATIONAL	+125	+85	+45	+25
8	RESIDENTIAL	+75	+50	+20	+10
9	COMMERCIAL	+50	+25	-15	-25
10	INDUSTRIAL	+25	+10	-25	-50

11 Open Spaces M.P. M.P. M.P.
 12 (M.P. - Not Permitted)

13 Section 17. Open space. After classification, any
 14 classified usage may be reclassified into open space for the
 15 following purposes:

- 16 (1) To assist in developing green belts and providing
- 17 needed open space both the private sector and the public,
- 18 may acquire or dedicate open space. If open space is
- 19 acquired by the governing body, it must be:
- 20 (a) essential to the orderly growth and development of
- 21 the area;
- 22 (b) in accordance with the program of comprehensive
- 23 planning for the area at the time of its creation; and
- 24 (c) in accordance with the provisions of Montana law.
- 25 (2) Open space may be acquired by the governing body

1 by purchase, trade or other means available other than
 2 condemnation. Once land is classified as open space, it
 3 must remain as such until it is determined by the governing
 4 body to be out of phase with the master plan, at which time
 5 the land may be traded for a feasible equivalent. Open
 6 space land, once declared, either by the governing body or
 7 the public, may not be sold.

8 Section 18. Taxation of open space. Open space shall
 9 be taxed in the following manner:

10 (1) If a private owner dedicates land as open space,
 11 it will remain forever off the tax base and the owner of
 12 record will receive, in tax credits, an amount equal to the
 13 fair market value of the land from the governing body.

14 (2) Open space land dedicated in any agricultural zone
 15 may be used for agricultural as directed by the governing
 16 body, by the original owner at the time of transfer and any
 17 successors owning the property.

18 (3) No owner may classify more than ten percent (10%)
 19 of his land open space without the permission of the
 20 governing body, however, he may place any amount into
 21 recreational land as defined by this act.

22 (4) If timberland is removed from the tax base through
 23 this classification, it may not be harvested for profit and
 24 may be cut only for the advancement of recreational
 25 purposes.

1 Section 19. Special conditions. (1) No provision of
 2 this act shall ~~provide~~ PROHIBIT local government units from
 3 levying cost escalations or tax decreases into their tax
 4 levies to compensate for inflation or reductions due to
 5 changes in physical needs.

6 (2) Any land classified under this act may be, at the
 7 owner's option, reclassified at any time to a new
 8 classification within categories if allowed under the
 9 requirements of that classification.

10 (3) Any property under one (1) or more ownerships may
 11 be so classified as to meet one (1) or more of the standards
 12 of this act.

13 (4) Hospitals, churches, rest homes, nursing homes,
 14 governmental buildings, schools, colleges, or any other
 15 charitable institution operating on a nonprofit basis under
 16 section 84-202, may be located in any area of land so
 17 classified by this act, with the exception of recreational
 18 or open space classification.

19 Section 20. Rules and regulations. State government
 20 shall adopt such rules and regulations pursuant to Montana
 21 Administrative Procedure Act, as are necessary for the
 22 administration of this act.

23 SECTION 21. EXEMPTIONS FROM ACT. APPLICATION TO THOSE
 24 OVER SIXTY-TWO (62) YEARS OF AGE AND TO THOSE EXISTING BELOW
 25 POVERTY STANDARDS. NO PROVISION OF THIS ACT WHICH HAS A

1 NEGATIVE OR ADVERSE TAXATION EFFECT SHALL APPLY TO A PRIVATE
2 RESIDENCE OWNED BY A PERSON OR PERSONS OVER SIXTY-TWO (62)
3 YEARS OF AGE OR THOSE IN AN INCOME BRACKET ESTABLISHED BY
4 THE FEDERAL GOVERNMENT TO BE BELOW POVERTY STANDARDS.

5 Section 22. Severability. If any provision of this
6 act or its application to any person or circumstance is held
7 invalid, the remainder of the act, or the application of the
8 provisions to other persons or circumstances, is not
9 affected.

10 SECTION 23. ANY PORTION OF THIS ACT SHALL BE EFFECTIVE
11 JULY 1, 1975, WHICH AFFECTS PROPERTY OR LAND CLASSIFIED BY
12 AND ADMINISTERED UNDER CURRENT LOCAL ZONING LAWS. ALL OTHER
13 PROPERTY OR LAND SHALL FALL UNDER THE PROVISIONS OF THIS ACT
14 AFTER THE PROVISIONS OF SECTION 5 HAVE BEEN MET.

-End-

April 8, 1975

SENATE COMMITTEE OF THE WHOLE
AMENDMENTS TO HOUSE BILL NO. 672

That House Bill No. 672, third reading, be amended as follows:

1. Amend page 8, section 5, line 7.
Following: "body"
Insert: "of or within a county which has elected to come under the provisions of this act, as provided in section 6 herein,"
2. Amend page 10, section 5, line 11.
Following: line 11
Insert: "Section 6. There is a new R.C.M. section that reads as follows: County option. The provisions of this act shall take effect in a county and the cities and towns within that county only if the board of county commissioners, following a public hearing, adopt a resolution declaring this act to be effective in the county."
Renumber: All subsequent sections
3. Amend page 16, section 7, line 21.
Strike: "62-603"
Insert: "62-605"

and amend Senate Committee on Taxation amendments, dated April 4, 1975, as follows:

4. Amend amendment No. 45, lines 1 and 2.
Following: "is to Class"
Strike: "A or Class B"
Insert: "D"

April 4, 1975

SENATE COMMITTEE ON TAXATION

AMENDMENTS TO HOUSE BILL NO. 672

That House Bill No. 672, third reading, be amended as follows:

1. Amend page 2, section 2, line 20.
Following: "WOULD"
Strike: "AID"
Insert: "curb"
2. Amend page 4, section 4, line 1.
Following: "(1)"
Strike: "Land density"
Insert: "Density"
3. Amend page 4, section 4, line 12.
Following: "horticulture,"
Insert: "silvaculture,"
4. Amend page 4, section 4, line 15.
Following: "activities"
Insert: "as defined by section 84-437.2"
5. Amend page 4, section 4, lines 22 and 23.
Following: "means"
Strike: "the following land with a potential for profitability being used for profit"
Insert: "land that could be used for agricultural purposes for a profit following current land management practices in the following use categories"
6. Amend page 5, section 4, lines 5 and 6.
Following: line 4
Strike: "(g) other land which could be used for the production of food and fibre for profit."
Insert:
"For purposes of determining whether the land could be used for a profit, the nonagricultural development value of the land shall not be considered."
7. Amend page 5, section 4, lines 10 and 11.
Following: "land"
Strike: "as defined in section 62-603"
Insert: "which is dedicated or preserved for (a) park or recreational purposes, (b) historic or scenic purposes, or (c) assisting in the shaping of the character and direction of community development"
8. Amend page 5, section 4, line 23.
Following: "Industrial"
Insert: "land"

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Page 2

9. Amend page 5, section 4, line 23.
Following: "to"
Strike: "a district or"
Insert: "land the"
10. Amend page 5, section 4, line 23.
Following: "use"
Strike: "in"
Insert: "of"
11. Amend page 5, section 4, line 24.
Following: line 23
Strike: "the principal use of the land"
12. Amend page 5, section 4, line 25.
Following: line 24
Strike: "or"
Insert: ", "
13. Amend page 5, section 4, line 25.
Following: "conversion"
Insert: ", or wholesaling"
14. Amend page 6, section 4, line 4.
Following: "Recreational"
Insert: "land"
15. Amend page 6, section 4, line 10.
Following: Residential"
Insert: "land"
16. Amend page 6, section 4, line 12.
Following: "residential"
Strike: "construction, habitat and land development"
Insert: "dwellings"
17. Amend page 6, section 4, lines 18 and 19.
Following: "period"
Strike: "designated by"
Insert: "beginning with"
18. Amend page 6, section 4, line 21.
Following: "purposes"
Insert: "and terminating with completion of construction"
19. Amend page 7, section 4, line 5.
Following: line 4
Strike: "recommended"
Insert: "remodeled"
20. Amend page 7, section 4, line 7.
Following: "of"
Strike: "intergovernmental relations"
Insert: "community affairs"

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Page 3

21. Amend page 7, section 4, line 10.
Following: "of"
Strike: "intergovernmental relations"
Insert: "community affairs"
22. Amend page 8, section 4, line 5.
Following: line 5
Insert: "(23) "Commercial land" means land used for business purposes other than land herein defined as agricultural land, industrial land, residential land, and recreational land."
23. Amend page 9, section 5, line 16.
Following: "hearing,"
Insert: "to be held"
24. Amend page 9, section 5, line 16.
Following: "within"
Strike: "the next"
25. Amend page 9, section 5, line 17.
Following: "days"
Strike: "to have public meetings to discuss"
Insert: "of the notice for purposes of discussing"
26. Amend page 9, section 5, line 20.
Following: "land"
Strike: "to follow request"
Insert: "in accordance with requests"
27. Amend page 10, section 5, line 4.
Following: "of"
Strike: "intergovernmental relations"
Insert: "revenue"
28. Amend page 10, section 5, line 5.
Following: "classification."
Strike: "The categories are:"
Insert: "(6) In classifying the land, the following categories shall be used:"
29. Amend page 10, section 5, line 13.
Following: line 12
Strike: "intergovernmental relations"
Insert: "revenue"
30. Amend page 11, section 6, line 24.
Following: "usage"
Strike: "consists of"
Insert: "is accompanied by"
31. Amend page 13, section 7, line 19.
Following: "BODY"
Insert: "either in connection with such changes or in connection with the original classification pursuant to section 6,"

32. Amend page 13, section 7, line 19.
Following: "cause"
Strike: ", items"
Insert: ". Items"
33. Amend page 12, section 7, line 19.
Following: "cause"
Strike: "being"
Insert: "are"
34. Amend page 14, section 7, lines 5 through 7.
Strike: subsection (c) in its entirety
35. Amend page 17, section 9, line 3.
Following: "Within"
Strike: "twelve (12) months"
Insert: "two (2) years"
36. Amend page 17, section 9, lines 10 and 11.
Following: "reduced"
Strike: "ten percent (10%)"
Insert: "twenty percent (20%)"
37. Amend page 17, section 9, line 11.
Following: "preceding"
Insert: "the classification"
38. Amend page 17, section 9, lines 12 and 13.
Following: "reduced"
Strike: "five percent (5%)"
Insert: "ten percent (10%)"
39. Amend page 17, section 9, line 13.
Following: "preceding"
Insert: "the classification"
40. Amend page 17, section 9, line 15.
Following: "preceding"
Insert: "the classification"
41. Amend page 17, section 9, line 17.
Following: "preceding"
Insert: "the classification"
42. Amend page 17, section 9, line 22.
Following: "for"
Strike: "fifty (50)"
Insert: "twenty-five (25)"
43. Amend page 17, section 9, line 23.
Following: "for"
Strike: "fifty (50)"
Insert: "twenty-five (25)"

44. Amend page 18, section 9, line 7.
Following: "another"
Strike: "category"
Insert: "subclassification"
45. Amend page 18, section 9, line 8.
Following: "petition"
Strike: "upon payment by the petitioner of"
Insert: " provided that if the subclassification is to Class A or Class B, it shall not be granted until the petitioner has first paid"
46. Amend page 18, section 9, line 11.
Following: "land"
Strike: "has"
Insert: "had"
47. Amend page 18, section 9, line 17.
Following: "within the"
Strike: "one (1)"
Insert: "two (2)"
48. Amend page 18, section 9, lines 20 and 21.
Following: "classification"
Strike: "until the owner requests its placement into a different classification"
Insert: "unless before placing it in Class D the owner of the land requests assistance from the local planning authority or the department of community affairs in determining which subclassification to elect. If this request is made by the owner of record the land will not be classified D until thirty (30) days after such assistance is provided by the local planning authority or department of community affairs."
49. Amend page 18, section 10, line 23.
Following: "Within"
Strike: "twelve (12) months"
Insert: "two (2) years"
50. Amend page 18, section 10, line 25.
Following: "recreational,"
Insert: "in the event the land also qualifies as agricultural land"
51. Amend page 19, section 10, lines 2 through 4.
Following: "two"
Strike: "AND AS SUCH RECEIVE TAX CREDITS IN ADDITION TO THOSE LISTED UNDER ANY OTHER PORTION OF THIS ACT"
52. Amend page 19, section 10, line 9.
Following: "lands"
Strike: "that portion assigned to recreation"

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Page 6

53. Amend page 19, section 10, line 18.
Following: "such"
Insert: "reasonable"
54. Amend page 20, section 10, line 6.
Following: "STANDARDS OF"
Strike: "SECTION 10,"
55. Amend page 20, section 10, line 7.
Following: line 6
Strike: "ACT THAT"
Insert: "section,"
56. Amend page 20, section 10, line 12.
Following: "CLASS"
Strike: "A"
Insert: "B"
57. Amend page 20, section 10, lines 12 and 13.
Following: "LAND"
Strike: "THAT PORTION ASSIGNED RECREATION"
58. Amend page 20, section 10, line 13.
Following: "BY"
Strike: "A VALUE OF"
59. Amend page 20, section 10, line 15.
Following: "THE"
Insert: "value of the"
60. Amend page 20, section 11, line 25.
Following: "OF"
Strike: "THREE HUNDRED (300)"
Insert: "nine hundred (900)"
61. Amend page 21, section 11, lines 5, 6 and 7.
Following: "valuation,"
Strike: "or if a totally new development occurs, a tax credit in the amount of the remodeling or development costs shall apply"
Insert: "the total valuation shall be reduced"
62. Amend page 21, section 11, line 8.
Following: "remodeling"
Strike: "or development"
Insert: "commencing in the amount of the remodeling costs the first year and"
63. Amend page 21, section 11, line 9.
Following: "for"
Insert: "each remaining year in"

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Page 7

64. Amend page 21, section 11, line 12.
Following: "be"
Strike: "taxed"
Insert: "valued"
65. Amend page 21, section 11, line 13.
Following: "normal"
Insert: "valuation"
66. Amend page 21, section 11, line 18.
Following: "~~subsection-4~~"
Strike: "SECTION 11,"
67. Amend page 21, section 11, line 19.
Following: "(3)"
Insert: "of this section"
68. Amend page 21, section 11, lines 22 and 23.
Following: "immediate"
Strike: "tax relief directly proportionate to the class"
Insert: "reduction of value to the appropriate subclassification"
69. Amend page 22, section 11, line 2.
Following: line 1
Strike: "classified"
Insert: "evaluated"
70. Amend page 22, section 11, line 4.
Following: line 3
Strike: "taxed"
Insert: "valued"
71. Amend page 22, section 11, line 8.
Following: "normal"
Strike: "tax"
Insert: "valuation"
72. Amend page 22, section 11, line 11.
Following: "be"
Strike: "classified"
Insert: "evaluated"
73. Amend page 22, section 11, line 18.
Following: "Land"
Strike: "within a"
Insert: "between"
74. Amend page 22, section 11, line 19.
Following: line 18
Strike: "limit of"
75. Amend page 22, section 11, line 19.
Following: "4 1/2 miles"
Insert: "and"

76. Amend page 22, section 11, line 20.
Following: line 19
Strike: "to"
77. Amend page 22, section 11, line 22.
Following: "beyond"
Strike: "the"
78. Amend page 22, section 11, line 23.
Following: line 22
Strike: "14 1/2 mile limit"
Insert: "10 miles"
79. Amend page 22, section 11, lines 24 and 25.
Following: "THE"
Strike: "FOUR AND ONE-HALF (4-1/2) MILE LIMIT OF THE"
80. Amend page 23, section 11, line 5.
Following: "act"
Strike: "to increase"
Insert: ", be increased in"
81. Amend page 23, section 11, line 10.
Following: "land"
Strike: "within a 20%"
Insert: "between 10%"
82. Amend page 23, section 11, line 11.
Following: line 10
Strike: "limit of"
83. Amend page 23, section 11, line 11.
Following: "4 1/2 miles"
Insert: "and"
84. Amend page 23, section 11, line 12.
Following: line 11
Strike: "to"
85. Amend page 23, section 11, line 14.
Following: "the"
Strike: "50%"
Insert: "25%"
86. Amend page 23, section 11, line 15.
Following: line 14
Strike: "14 1/2"
Insert: "10"
87. Amend page 23, section 11, lines 16, 17 and 18.
Following: "THE"
Strike: "FOUR AND ONE-HALF (4 1/2) MILE LIMIT OF THE"

88. Amend page 23, section 11, line 21.

Following: "multifamily"
Insert: "other than planned unit development or recreational developments as approved by the governing authority"

89. Amend page 23, section 11, line 22.

Following: "be"
Strike: "classified"
Insert: "valued"

90. Amend page 23, section 11, line 25.

Following: "is"
Strike: "reclassified appraised"
Insert: "revalued density"

91. Amend page 23, section 11, line 25.

Following: "improvement"
Insert: "shall be increased (decreased)"

92. Amend page 24, section 11, line 1.

Following: "to"
Strike: "land"

93. Amend page 24, section 11, line 6.

Following: "3-0%"
Strike: "18.1 - 36"
Insert: "over 18"

94. Amend page 24, section 11, lines 7 and 8.

Following: line 6
Strike: "36.1 - 54 - 10% - 10%"
54 AND OVER - 20% - 25%"

95. Amend page 24, section 11, line 12.

Following: "act,"
Strike: "classified"
Insert: "valued"

96. Amend page 24, section 11, line 14.

Following: "is"
Strike: "reclassified appraised"
Insert: "revalued density"

97. Amend page 24, section 11, line 14.

Following: "improvement"
Insert: "shall be increased (decreased)"

98. Amend page 24, section 11, line 15.

Following: "to"
Strike: "land"

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99. Amend page 25, section 12, line 3.
Following: "as"
Strike: "urban"
Insert: "commercial"
100. Amend page 25, section 12, line 8.
Following: "taxation - "
Strike: "no change"
Insert: "1% over valuation existing at the beginning of the
said two (2) years"
101. Amend page 25, section 12, line 9.
Following: "over"
Insert: "the previous year's"
102. Amend page 25, section 12, line 9.
Following: "valuation"
Strike: "/year"
103. Amend page 25, section 12, line 10.
Following: "over"
Insert: "the previous year's "
104. Amend page 25, section 12, line 10.
Following: "valuation"
Strike: "/year"
105. Amend page 25, section 12, line 11.
Following: "over"
Insert: "the previous year's"
106. Amend page 25, section 12, line 11.
Following: "valuation"
Strike: "/year"
107. Amend page 25, section 12, line 12.
Following: "over"
Insert: "the previous year's"
108. Amend page 25, section 12, line 12.
Following: "valuation"
Strike: "/year"
109. Amend page 25, section 12, lines 17, 18.
Following: "a"
Strike: "tax credit"
Insert: "reduction in valuation"
110. Amend page 25, section 12, line 19.
Following: "as a"
Strike: "tax credit against"
Insert: "reduction in valuation of"

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111. Amend page 25, section 12, line 20.
Following: "years,"
Insert: "commencing in the amount of the cost of remodeling or improving in the first year and"
112. Amend page 25, section 12, line 21.
Following: "year"
Insert: "for each remaining year thereafter"
113. Amend page 25, section 12, lines 22 and 23.
Following: "Existing"
Strike: "real estate developments"
Insert: "structures and buildings"
114. Amend page 26, section 12, line 3.
Following: line 2
Strike: "after 10 year"
Insert: "in years"
115. Amend page 26, section 12, line 3.
Following: "increase"
Strike: "in years delay"
Insert: "according to the years since remodeled last"
116. Amend page 26, section 12, line 4.
Following: line 3
Strike: line 4 in its entirety
Insert: " -- 1-5 years 5-10 years 10-15 years 15 years and over"
117. Amend page 26, section 12, line 17.
Following: "period"
Strike: "and for a period of two (2) years after occupancy"
118. Amend page 27, section 12, line 19.
Following: line 18
Strike: "AND"
Insert: "to"
119. Amend page 30, section 14, line 21.
Following: "the"
Strike: "alteration "
Insert: "expansion"
120. Amend page 30, section 14, line 22.
Following: "property"
Insert: "into land not presently classified as industrial land"
121. Amend page 30, section 14, lines 22 and 23.
Following: "the"
Strike: "time of the actual start of"
Insert: "termination of the"

122. Amend page 30, section 14, line 23.
Following: "construction"
Insert: "period"

123. Amend page 30, section 14, line 23.
Following: "following"
Strike: "tax"
Insert: "valuation"

124. Amend page 30, section 14, line 24.
Following: "made"
Strike: "FROM THE TAXABLE VALUE"
Insert: "on the values of the land and improvements"

125. Amend page 31, section 14, lines 9 through 16.
Following: line 8.
Strike: lines 9 through 16 in their entirety
Insert:

	<u>"CLASS A</u>	<u>CLASS B</u>	<u>CLASS C</u>	<u>CLASS D</u>
AGRICULTURAL	0	+10	+30	+100
RECREATIONAL	+50	+75	+100	+200
RESIDENTIAL	0	+10	+30	+100
COMMERCIAL	-25	-10	0	+50
INDUSTRIAL	-50	-25	-10	+25

Expansion into open space shall not be permitted."

126. Amend page 33, section 16, line 17.
Following: "to"
Insert: "meet proposed needs"

127. Amend page 33, section 16, line 20.
Following: "land."
Strike: "Within one (1) year after the start of"
Insert: "After the termination of the"

128. Amend page 33, section 16, line 21.
Following: "construction"
Insert: "period"

129. Amend page 33, section 16, line 21.
Following: "following"
Strike: "tax"

130. Amend page 33, section 16, line 22.
Following: "adjustments"
Insert: "in valuations"

131. Amend page 33, section 16, line 23.
Following: "standards."
Insert: "Classification prior to location of facility means the classification existing prior to any attempt to obtain a variance without a change in the boundary under section [22] for the location of that particular facility."
132. Amend page 33, section 16, line 24.
Following: line 23
Insert: "Classification prior to"
133. Amend page 33, section 16, line 24.
Following: "Location"
Insert: "of facility"
134. Amend page 33, section 16, line 24.
Following: "Location"
Strike: "Developed"
Insert: "Industrial"
135. Amend page 34, section 16, lines 6 through 12.
Following: line 5
Strike: lines 6 through 12 in their entirety
Insert:

"AGRICULTURAL	+25	+35	+75	+100
RECREATIONAL	+25	+45	+85	+125
RESIDENTIAL	+10	+20	+50	+75
COMMERCIAL	-25	-15	+25	+50
INDUSTRIAL	-50	-25	+10	+25

New construction on open space shall not be permitted."

136. Amend page 35, section 17, line 6.

Following: "land"

Insert: "dedicated under this act"

137. Amend page 35, section 17, line 7.

Following: "sold"

Insert: "unless it meets the provisions of section 18"

138. Amend page 35, section 18, line 11.

Following: "remain"

Strike: "forever"

139. Amend page 35, section 18, lines 11, 12 and 13.

Following: "base"

Strike: "and the owner of record will receive, in tax credits, an amount equal to the fair market value of the land from the governing body"

140. Amend page 35, section 18, line 15.
Following: "for"
Strike: "agricultural"
Insert: "agriculture"
141. Amend page 35, section 18, line 16.
Following: "owner"
Strike: "at the time of transfer"
Insert: "dedicating the land"
142. Amend page 35, section 18, line 17.
Following: "successors"
Strike: "owning the property"
Insert: "in interest"
143. Amend page 35, section 18, line 25.
Following: line 25
Insert: "(5) Once open space is created, acquired or classified, the owner of record must maintain the property or the open space classification may be withdrawn by the local governing body.
(6) Upon approval by the local governing body, open space may be transferred to a new use provided a payment of twice the amount of tax benefit while the land was classified as open space is paid to the local governing body."
144. Amend page 36, section 19, lines 1 through 9.
Following: "conditions."
Strike: subsections (1) and (2) in their entirety
Insert: "Any increases in taxation to pay for the loss of revenue caused by this act shall be reflected in an increase in mill levies and not in an increase in the valuation of specific property."
Renumber: All subsequent subsections
145. Amend page 36, section 19, line 14.
Following: "any"
Strike: "other"
146. Amend page 36, section 20, line 19.
Following: "regulations."
Strike: "State government"
Insert: "The state administrating agency"
147. Amend page 37, section 21, line 5.
Following: line 4
Insert: "Section 22. There is a new R.C.M. section that reads as follows:
Changes in boundaries. After final adoption of a plan, the governing body, or any property owner may petition for a variance or a change in the boundary of any land use classification. Within ten (10) days of receipt of the petition, the governing body shall forward a copy of the petition to the affected municipal, regional, or county planning organization and the

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appropriate state agencies. After sixty (60) days but within one hundred twenty (120) days of the receipt of a petition, the governing body shall advertise a public hearing to be held in the county, and serve notice on the persons and agencies that have an interest in the subject of the petition, at least ten (10) days prior to the hearing date.

No petition shall be approved unless the petitioner submits proof that the area is needed for a use other than that for which the land is classified, and the following requirements have been fulfilled:

(1) The land is usable and adaptable for the use for which it is proposed to be classified or that a new use of the land would be more beneficial to the area; and

(2) Conditions and trends of development have so changed since the adoption of the existing classification, that the proposed classification is reasonable and desirable, and the land is capable of sustaining the use proposed; and

(3) That the proposed change shall offer the community relief from impact from an outside or uncontrollable influence facing the community because of new and substantial development.

Should the governing body approve the change in classification, it shall modify the existing land use plan to reflect such changes and change any taxable valuations as may be necessary.

Section 23. There is a new R.C.M. section that reads as follows:

Nonconforming uses. The lawful use of land or buildings existing on the date of establishment of any classification provided for under this act may be continued although the use does not conform to this act."

Renumber: all subsequent sections

148. Amend page 37, section 23, line 10.

Following: line 9

Strike: Section 25 in its entirety

Insert: "Section 25. Section 5 of this act is effective July 1, 1975. All other provisions of this act are effective July 1, 1977."

AND AS SO AMENDED, BE CONCURRED IN

HOUSE BILL NO. 672

1 INTRODUCED BY PAGO, PABREGA, KEMMIS, DASSINGER, STOLTZ,
 2 TEAGUE, HAGER, JOHNSON, SLOAN, MURPHY, WILLIAMS, HOLMES,
 3 HUENNEKENS, RASMUSSEN, LOHY, THOMAS, LOCKREK, MERCER, BRAND
 4 A BILL FOR AN ACT ENTITLED: "AN ACT ESTABLISHING A
 5 PROCEDURE FOR THE ECONOMIC DEVELOPMENT OF MONTANA THROUGH
 6 LOCAL GOVERNMENTAL CONTROL, BASED ON LAND GROWTH PATTERNS
 7 ESTABLISHED THROUGH ECONOMIC VALUE AS A SUPPLEMENT TO ZONING
 8 WITH ECONOMIC INDUCEMENTS AND PENALTIES; PROVIDING
 9 AUTHORIZATION TO LOCAL GOVERNMENTS TO DEVELOP PLANNED
 10 DEVELOPMENT PROCEDURES; AND PROVIDING STANDARDS OF LAND
 11 USAGE; AND PROVIDING AN EFFECTIVE DATE."

1 will:
 2 (1) enable local control and local decisions to be
 3 foremost in determining the state growth pattern;
 4 (2) allow taxation on land and structures to be based
 5 on proper land utilization; providing for tax incentives for
 6 proper land utilization and tax increases for land
 7 developmental abuse;
 8 (3) create a land use policy which does not block
 9 economic progress, but rather the development of a program
 10 which will meet the social and economic standards
 11 necessarily brought about through economic progress;
 12 (4) develop a program which protects our state's
 13 beauty and natural features as well as our heritage of
 14 agricultural wealth by curbing urban sprawl; and
 15 (5) institute a land use system growth program which
 16 ~~replaces~~ SUPPLEMENTS zoning and ~~unnecessary~~ governmental
 17 ~~regulation~~, which is structured through local control, and
 18 one which is not to be final in action, but rather one of
 19 continuing action, whereby land use decisions can
 20 continually be reevaluated AND ONE WHICH WOULD BE CURB
 21 UNNECESSARY GOVERNMENTAL REGULATIONS.

22 Section 3. Purpose. Montanans are faced with a nation
 23 hungry for timber, coal, minerals, and recreation
 24 opportunities, causing a future in Montana whose heritage
 25 appears headed for rapid development and growth. This act,

4/18/75

1 therefore, is designed to meet Montana's needs in a unique
 2 way; by reducing the need for zoning and other land control
 3 measures and placing our future development under a free
 4 market system controlled not by land regulation, but by
 5 economics. Specific goals are:

6 (1) to protect prime agricultural land as it is the
 7 backbone of today's Montana economy and the heart of
 8 tomorrow's need for a well-fed and healthy economy, keeping
 9 Montana's position, in the future, as the bread basket of
 10 the nation;

11 (2) to encourage urban growth in an inward pattern,
 12 rather than a sprawl development, yet through the use of
 13 open space provide a greater percentage of open land and a
 14 higher density on developed land within the urban area;

15 (3) to guide industrial and commercial development in
 16 Montana;

17 (4) to develop a program which is controlled and
 18 directed on a local level, within the actual land use
 19 direction and classification left wherever possible with the
 20 local land owner; and

21 (5) in general, to provide for Montana a land use
 22 directional policy which will not regulate our future but
 23 rather motivate it into a pattern of desirable economic
 24 growth based on the development of private enterprise.

25 Section 4. Definitions. As used in this act:

1 (1) "~~land density~~DENSITY" means the number of persons
 2 living on the land based on those established as ~~permanent~~
 3 residents. ~~The land density value shall be based on any~~
 4 ~~combination of land area to bring about the largest~~
 5 ~~possibility of residents per acre. PER ACRE. IN DETERMINING~~
 6 ~~DENSITIES UNDER THE PROVISIONS OF THIS ACT IT SHALL BE TAKEN~~
 7 ~~ON THE NUMBER OF ACRES OF THE PROPOSED DEVELOPMENT OR~~
 8 ~~PORTION OF LAND DEVELOPED PLUS THE AVERAGE DENSITY OF THE~~
 9 ~~LAND ADJOINING THE PROPERTY AND EXTENDING BEYOND IT THREE~~
 10 ~~HUNDRED (300) FEET IN EACH DIRECTION.~~

11 (2) "Agricultural land" means land which is currently
 12 being used or could be used for floriculture, horticulture,
 13 SILVICULTURE, general farming, dairying, poultry raising,
 14 stock raising, and other agricultural related uses,
 15 including, but not limited to, buildings and activities AS
 16 DEFINED BY SECTION 84-437.2.

17 (3) "Developed land" means land developed or used for
 18 residential industrial or commercial use.

19 (4) "Urban land" means land which is developed for the
 20 purpose of providing community or regional trade centers,
 21 whether incorporated or unincorporated, generally considered
 22 commercial centers as defined by the local governing body.

23 (5) "Productive land" means ~~the following land with a~~
 24 ~~potential for profitability being used for profit land that~~
 25 COULD BE USED FOR AGRICULTURAL PURPOSES FOR A PROFIT

1 FOLLOWING CURRENT LAND MANAGEMENT PRACTICES IN THE FOLLOWING

2 USE CATEGORIES:

3 (a) irrigated cropland;

4 (b) non-irrigated cropland;

5 (c) pasture;

6 (d) range;

7 (e) irrigated native grassland;

8 (f) forest and woodland;

9 ~~(g) other land which could be used for the production~~
10 ~~of food and fibre for profit.~~

11 FOR PURPOSES OF DETERMINING WHETHER THE LAND COULD BE
12 USED FOR A PROFIT, THE MONAGRICULTURAL DEVELOPMENT VALUE OF
13 THE LAND SHALL NOT BE CONSIDERED.

14 (6) "nonproductive land" means land which will not
15 support growth for the production of food and fibre for
16 profit.

17 (7) "Open space" means land as defined in section
18 ~~62-603 WHICH IS DEDICATED OR PRESERVED FOR~~

19 (A) PARK OR RECREATIONAL PURPOSES,

20 (B) HISTORIC OR SCENIC PURPOSES, OR

21 (C) ASSISTING IN THE SHAPING OF THE CHARACTER AND
22 DIRECTION OF COMMUNITY DEVELOPMENT.

23 (8) "planned development" means the development of a
24 piece of land in such a manner that is determined by the
25 governing body to entail the highest and best possible

1 development for that land, in a manner encouraging open
2 space and high density use.

3 (9) "Governing body" means the board of county
4 commissioners or the city council of incorporated cities in
5 which the land lies. If the land under question is in more
6 than one (1) county, the governing body of each county shall
7 be represented by one (1) or more of their membership on a
8 regional basis, and in equal numbers from each county.

9 (10) "Industrial LAND" refers to ~~a district of LAND THE~~
10 ~~use of which the principal use of the land shall be for~~
11 ~~the manufacturing, or conversion, OR WHOLESALE~~ of a
12 material or product into a secondary usage for sale or
13 profit. Specific uses shall include manufacturing,
14 processing, dismantling, refining, production, and mining.

15 (11) "Recreational LAND" means land or portions of land
16 primarily designated as space for outdoor activities
17 conducted by individuals for fun and relaxation, including,
18 but not limited to, organized sports, games, hunting,
19 fishing, hiking, backpacking, swimming, and other related
20 outdoor activities.

21 (12) "Residential LAND" refers to a district or portion
22 of land in which the principal use of the land is for
23 residential ~~construction, habitat and land development~~
24 Dwellings of varying densities designed to meet contemporary
25 building and living standards.

1 (13) "Taxable value OR VALUE" ~~means actual value less~~
2 ~~forty percent (40%)~~ MEANS THAT VALUE DETERMINED UNDER TITLE
3 84, R.C.H. 1947, FOR LAND AND IMPROVEMENTS.

4 (14) "Construction period" means that period ~~designated~~
5 ~~BY BEGINNING WITH~~ the issuance of a building permit, or in
6 the case where building permits are not granted, the
7 breaking of ground for construction purposes.

8 (15) "Economic benefit" means the development of, or
9 expansion of, an existing facility which through the
10 provision of jobs or new taxable base, provides additional
11 economic opportunity within an area for the citizens of the
12 state and its owners.

13 (16) "Budget period" means the period of time, from the
14 start to finish of a growing season for agricultural land,
15 or the construction period in the case of a new or
16 ~~recessed~~ REMODELED construction.

17 (17) "State administering agency" means the department
18 of ~~intergovernmental relations~~ COMMUNITY AFFAIRS and the
19 department of revenue acting jointly to administer this act.
20 All planning functions required ~~to administer this act~~ TO
21 IMPLEMENT SECTION [5] SHALL BE ASSIGNED TO THE DEPARTMENT OF
22 ~~intergovernmental relations~~ COMMUNITY AFFAIRS and all
23 taxation responsibilities RELATING TO CLASSIFICATIONS FOR
24 TAX PURPOSES shall be assigned to the department of revenue.

25 (18) "Roll back" means the rolling back of a period of

1 years for tax purposes. The taxes to be paid during this
2 roll back period being the difference paid from the normal
3 appraisal value and the appraised value determined by this
4 act.

5 (20) "Single family" is a designation given to
6 residential land whereby only one (1) family lives in each
7 structure erected or existing upon the land.

8 (21) "Multifamily" is a designation given to
9 residential land whereby more than one (1) family lives in
10 each structure existing, remodeled, or built upon a given
11 piece of land.

12 (22) "Remodeling" means the changing in value of a
13 structure, building, or other man-made object either through
14 painting, reconstruction, or other manner wherein its value
15 is increased one percent (1%) or more, said increase in
16 value to be determined by the governing body after the
17 proposed change or alteration is made.

18 (23) "COMMERCIAL LAND" MEANS LAND USED FOR BUSINESS
19 PURPOSES OTHER THAN LAND HEREIN DEFINED AS AGRICULTURAL
20 LAND, INDUSTRIAL LAND, RESIDENTIAL LAND, AND RECREATIONAL
21 LAND.

22 Section 5. Operation. (1) Within two (2) years of
23 the passage of this act the governing body OF OR WITHIN A
24 COUNTY WHICH HAS ELECTED TO COME UNDER THE PROVISIONS OF
25 THIS ACT, AS PROVIDED IN SECTION 6 HEREIN shall set

1 standards wherein their jurisdictional area is classified
 2 into general areas described in this section UNLESS THE
 3 EXISTING CLASSIFICATION SYSTEM CONFORMS TO THE PROVISIONS OF
 4 THIS ACT. The ~~classification~~ PREPARATION OF A PLAN by the
 5 governing body shall be made after the following steps have
 6 been taken regarding the lands in their jurisdictional
 7 areas:
 8 (a) a complete inventory of the land and its usage by
 9 the governing body, including:
 10 (i) land types, based on federal standards;
 11 (ii) the floodplain of all streams and rivers;
 12 (iii) current vegetation patterns, i.e., cropland,
 13 irrigated land, rangeland, nonproductive land;
 14 (iv) developed land; and
 15 (v) all federal, state, or Indian land.
 16 Decisions shall be coordinated with the department of
 17 revenue.

18 (2) After collection of this data it shall be
 19 displayed in public for a minimum of thirty (30) days.
 20 During the period the material is displayed there shall be
 21 notification made of a public meeting at which time the
 22 materials will be displayed, described, and the method of
 23 classification will be explained to the general public. Any
 24 changes of land classification suggested shall be taken
 25 under advisement by the governing body and at their

1 discretion be encompassed into the land classification.
 2 (3) Within one hundred twenty (120) days of the
 3 ~~classification~~ ADOPTION OF THE PLAN the governing body shall
 4 indicate on a map the proposed land ~~classification~~ for all
 5 ~~the land CATEGORIES~~ in their jurisdictional area and so
 6 notify all land owners in the jurisdictional area, by
 7 registered mail. This notification shall include, but not
 8 be limited to:

- 9 (a) the classification, or classifications, given the
- 10 individual land owners' land;
- 11 (b) the meaning of the classification; and
- 12 (c) a time and place for a hearing TO BE HELD, within
- 13 ~~the next thirty (30) days to have public meetings to discuss~~
- 14 OF NOTICE FOR PURPOSES OF DISCUSSING the general
- 15 classification(s).

16 (4) Following the public meeting the governing body
 17 may or may not reclassify any land ~~to follow request in~~
 18 ACCORDANCE WITH REQUESTS made at the meeting.

19 (5) A final land use plan shall then be prepared by
 20 the governing body, which plan shall reflect a combination
 21 of existing uses of land in a manner which through prudent
 22 use encompasses both growth and conservation. This plan
 23 shall then be submitted to the state administration agency
 24 not later than January 2, 1978. If a city or county has
 25 failed to prepare this ~~classification~~ PLAN within the

1 required time, the department of intergovernmental relations
 2 ~~between intergovernmental relations~~ COMMUNITY AFFAIRS OF ITS
 3 agent shall prepare the classification plan. The categories
 4 are ~~the categories are:~~

5 ~~(a) in classifying the land, the following categories~~
 6 ~~shall be used: (6) in preparing the plan, the~~ THE

7 FOLLOWING CATEGORIES SHALL BE USED:

- 8 (a) agricultural;
- 9 (b) recreational;
- 10 (c) residential;
- 11 (d) commercial;
- 12 (e) industrial; and
- 13 (f) open space.

14 ~~SECTION 6. THERE IS A NEW P.C.M. SECTION THAT READS AS~~
 15 ~~FOLLOWS:~~

16 ~~County option. The provisions of this act shall take~~
 17 ~~effect in a county and the cities and towns within that~~
 18 ~~county only if the board of county commissioners, following~~
 19 ~~a public hearing, adopt a resolution declaring this act to~~
 20 ~~be effective in the county.~~

21 SECTION 6. THERE IS A NEW P.C.M. SECTION THAT READS AS
 22 FOLLOWS:

23 COUNTY OPTION. AFTER THE PROVISIONS OF SECTION [5]
 24 HAVE BEEN COMPLETED WITH AND ALL PUBLIC HEARINGS HELD, THE
 25 LOCAL GOVERNING BODY MAY PROCEED DIRECTLY INTO FURTHER

1 IMPLEMENTATION PROVIDED IN SECTION [7] OR HOLD AN ELECTION
 2 OF ELECTORS WITHIN THE AFFECTED LAND AREA. IF THE VOTERS
 3 REJECT FURTHER IMPLEMENTATION OF THE CLASSIFICATION PLAN,
 4 THE PLAN MAY NOT BE IMPLEMENTED AND NO NEW ELECTION ON THAT
 5 PLAN OR ANY OTHER PLAN MAY BE HELD FOR THE PERIOD OF ONE (1)
 6 YEAR.

7 Section 7. Classification. The department of
 8 intergovernmental relations ~~REVENUE~~ shall conduct hearings
 9 upon the classifications of land according to desirable use
 10 proposed by each governing body within the county and shall,
 11 after considering the record of such hearings, make the
 12 final classification of the desirable usage of land in each
 13 county as proposed by the governing body if such proposals
 14 are in accordance with the following criteria:

- 15 (1) Taxable land shall be classified as agricultural
- 16 when such action would:
- 17 (a) encourage the preservation of prime agricultural
- 18 soils, or
- 19 (b) encourage the preservation of those limited areas
- 20 of the state which contain the proper combination of soil
- 21 and topographical characteristics necessary for intense
- 22 agricultural development, or
- 23 (c) discourage those uses and activities which are
- 24 incompatible with the rural character of a district, or
- 25 (d) provide minimal development standards which would

1 assure the continuation of the open and rural character of
2 the district and permit only those uses and activities which
3 are compatible with this rural character.

4 (2) Taxable land shall be classified as recreational
5 when such action would:

6 (a) discourage those uses and activities which would
7 create congestion, noise, or hazards incompatible with
8 recreation activities established on the land, or

9 (b) encourage the continuation or initiation of
10 outdoor recreation on suitable lands.

11 (3) Taxable land shall be classified as residential
12 when such action would:

13 (a) conserve the character of established residential
14 neighborhoods as has been done by municipal zoning, or

15 (b) encourage the growth of cities and towns in
16 efficient patterns while discouraging wasteful urban sprawl,
17 or

18 (c) open new lands to residential areas provided such
19 usage ~~essentials~~ IS ACCOMPANIED BY utility expansion,
20 streets, and other needed and related facilities such as
21 schools and commercial developments, if such development is
22 considered necessary by the governing body.

23 (4) Taxable land shall be classified as industrial
24 when such action would:

25 (a) be in character with existing uses, or

1 (b) shield the surrounding area from noise, glare,
2 pollution, or other actions or activities objectionable to
3 the general public, or

4 (c) provide areas of land contiguous rather than
5 spread over the community or area and located in such
6 locations where the prevailing wind and water flow pattern
7 is favorable to the inhabitants of the area.

8 (5) Taxable land shall be classified as commercial
9 when:

10 (a) it would be in character with existing uses, or

11 (b) it is located in such a pattern or manner to
12 provide needed services to a growing community, or

13 (c) its highest and best use is determined to be
14 commercial, said usage being based on decisions of mutual
15 advantage of both customers and merchants, or

16 (d) when the classification of the land will promote
17 the most desirable developments in each area, conserve the
18 value of land, and thus promote public safety, convenience,
19 prosperity, and welfare.

20 (6) Taxable land may be taken from the tax base and
21 classified open space, whether public or private, when:

22 (a) it is to the public benefit to provide for the
23 preservation of permanent open space, green belts, or
24 similar landscape features, or

25 (b) such action will provide land to screen or

1 otherwise hide through visual control objectionable man-made
 2 features, or
 3 (c) such action will provide land to encourage,
 4 assist, and provide means for more desirable urban and rural
 5 developments.

6 (7) Such classifications of desirable use shall be
 7 accepted by the department of revenue.

8 Section 8. Management of classified area. Once land
 9 is classified into a taxable classification, it shall be
 10 managed by the governing body to encourage its continued
 11 usage in that classification. Changes in classification
 12 shall be subject to review by the department, however, the
 13 department cannot override the decision of the department
 14 GOVERNING BODY EITHER IN CONNECTION WITH SUCH CHANGES OR IN
 15 CONNECTION WITH THE ORIGINAL CLASSIFICATION PURSUANT TO
 16 SECTION 6 [7], without cause, items. ITEMS for cause being
 17 ARE:

18 (1) that the intended use in the reclassification of
 19 agricultural land would not be to the benefit of the general
 20 community because it would not:

- 21 (a) assure that those portions of the state containing
- 22 prime agricultural soils would be preserved for agricultural
- 23 purposes, or
- 24 (b) encourage the use and preservation of those
- 25 limited and irreplaceable portions of the state which

1 contain the proper combination of soil and topographical
 2 characteristics for intense agricultural development, of
 3 (e) ~~prohibit uses of the land which would interfere~~
 4 ~~with the development or continuation of agricultural uses in~~
 5 ~~the area~~

6 (2) That the intended use in the reclassification of
 7 recreational land would not be to the benefit of the general
 8 community because it would not:

- 9 (a) protect recreational development, so far as is
- 10 possible and appropriate in each area, against the
- 11 establishment of uses which would create hazards, offensive
- 12 noise, or offensive activities, or
- 13 (b) protect existing recreational development against
- 14 congestion, so far as is possible and diminish its
- 15 effectiveness as a recreational unit.

16 (3) That the intended use by reclassification of
 17 residential land would not be to the benefit of the general
 18 community because it would not:

- 19 (a) encourage the construction of, and the continued
- 20 use of, the land for various residential purposes, if in
- 21 fact this was its best and natural usage, or
- 22 (b) prohibit commercial and industrial uses of the
- 23 land and to prohibit any other use which would substantially
- 24 interfere with the development or continuation of
- 25 residential uses, or

1 (c) prohibit any use which because of its character or
 2 size creates requirements and costs for public services,
 3 such as police and fire protection, water supply and sewage
 4 facilities, substantially in excess of such requirements and
 5 costs if the district were developed solely for residential
 6 purposes.

7 (4) That the intended use by reclassification of any
 8 land category to industrial land would not be to the benefit
 9 of the general community because its reclassification would
 10 not:

11 (a) provide facilities to minimize traffic congestion,
 12 or
 13 (b) provide for facilities and the operation of
 14 industries which minimize noise, glare, air pollution, water
 15 pollution, and fire and safety hazards in industrial
 16 districts, or

17 (c) provide beneficial, social, and economic pattern
 18 of growth for the area in which the land so classified
 19 occurs, or

20 (d) provide protection from offensive noise,
 21 vibration, smoke, dust, odors, heat, glare, or other
 22 objectionable influences.

23 (5) That the intended use by reclassification of any
 24 land category to commercial land would not be to the benefit
 25 of the general community because its reclassification would

1 not:
 2 (a) provide protection from offensive noise,
 3 vibration, smoke, and heavy traffic, or
 4 (b) provide sufficient space in appropriate locations
 5 for the transaction of all types of commercial and
 6 miscellaneous service activities in beneficial relation to
 7 one another, and thus to strengthen the economic base of the
 8 community, or

9 (c) provide appropriate space, and in particular
 10 sufficient depth from the street, to satisfy the needs of
 11 modern commercial development, including the need for
 12 off-street parking in areas where a large proportion of
 13 customers come by automobile, or

14 (d) encourage the tendency of commercial development
 15 to concentrate, to the mutual advantage of both customers
 16 and merchants, and the urban pattern of growth.

17 (6) Once classified as open space, no land so
 18 classified may be reclassified until the provisions of
 19 section ~~62-603~~ 62-605 have been met.

20 Section 2. Subclassification of land. Under the
 21 provisions of this act the land outside the jurisdictional
 22 boundary of a city or town, which is classified either
 23 agricultural or recreational may be subclassified by the
 24 owner subject to the terms of sections 10 and 11.

25 Section 10. Subclassification by owners of taxable

1 land classified as agricultural. (1) Within ~~twelve~~ (12)
 2 ~~and the~~ TWO (2) YEARS following the classification of taxable
 3 land as agricultural, an owner thereof shall elect to
 4 subclassify his lands into classes A, B, C, or D, or any
 5 combination thereof. The department of revenue, upon
 6 receipt of the owner's election, shall revise the previously
 7 appraised value of such lands as follows:

8 Class A — appraisals shall be reduced ~~ten~~ TWENTY
 9 percent ~~(10%)~~ (20%) from their levels immediately preceding
 10 THE CLASSIFICATION;

11 Class B — appraisals shall be reduced ~~five~~ TEN percent
 12 ~~(5%)~~ (10%) from their levels immediately preceding THE
 13 CLASSIFICATION;

14 Class C — appraisals shall be reduced two percent (2%)
 15 from their levels immediately preceding THE CLASSIFICATION;

16 Class D — appraisals shall be increased ten percent
 17 (10%) from their levels immediately preceding THE
 18 CLASSIFICATION, and may be revalued in future years as
 19 provided by law to reflect market value.

20 (2) The owner of class A land, his heirs, successors,
 21 or assigns, may not convert the use of such lands to any
 22 nonagricultural purpose for ~~five~~ (50) TWENTY-FIVE (25)
 23 years, nor may the subclassification be changed for ~~five~~
 24 ~~(50)~~ TWENTY-FIVE (25) years.

25 (3) The owner of class B land, his heirs, successors,

1 or assigns, may not convert the use of such land to any
 2 nonagricultural purpose for ten (10) years, nor may the
 3 subclassification be changed for ten (10) years.

4 (4) The owner of class C land, his heirs, successors,
 5 or assigns, may change the subclassification within the
 6 agricultural classification at any time, and may petition
 7 the department of revenue at any time for reclassification
 8 into another category SUBCLASSIFICATION. The department may
 9 grant this petition ~~upon~~ upon payment by the petitioner of
 10 PROVIDED THAT IF THE SUBCLASSIFICATION IS TO CLASS A OR
 11 CLASS B D, IT SHALL NOT BE GRANTED UNTIL THE PETITIONER HAS
 12 FIRST PAID the difference in taxes which would have been
 13 paid since the subclassification or ten (10) years,
 14 whichever is less, if during that period the land ~~has~~ HAD
 15 been subclassified as class D.

16 (5) The owner of class D land, his heirs, successors,
 17 or assigns, may petition the department of revenue for
 18 reclassification into another category at any time, which
 19 petition shall be granted.

20 (6) If a voluntary subclassification of land has not
 21 been made by the owner of record within the ~~one~~ (1) TWO (2)
 22 year period, the department of revenue shall automatically
 23 place the land in class D and it shall remain in this
 24 classification ~~until the owner requests its placement into a~~
 25 ~~different classification~~ UNLESS BEFORE PLACING IT IN CLASS D

1 THE OWNER OF THE LAND REQUESTS ASSISTANCE FROM THE LOCAL
 2 PLANNING AUTHORITY OR THE DEPARTMENT OF COMMUNITY AFFAIRS IN
 3 DETERMINING WHICH SUBCLASSIFICATION TO ELECT. IF THIS
 4 REQUEST IS MADE BY THE OWNER OF RECORD THE LAND WILL NOT BE
 5 CLASSIFIED D UNTIL THIRTY (30) DAYS AFTER SUCH ASSISTANCE IS
 6 PROVIDED BY THE LOCAL PLANNING AUTHORITY OR DEPARTMENT OF
 7 COMMUNITY AFFAIRS.

8 Section 11. Subclassification by owners of taxable
 9 land classified as recreational. (1) Within ~~twelve~~ (12)
 10 ~~months~~ TWO (2) YEARS following the classification of taxable
 11 land as recreational, IN THE EVENT THE LAND ALSO QUALIFIES
 12 AS AGRICULTURAL LAND, an owner thereof shall elect to
 13 subclassify any or all of his lands into class A, class B,
 14 or a combination of the two ~~AND AS SUCH RECEIVE TAX CREDITS~~
 15 ~~IN ADDITION TO THOSE LISTED UNDER ANY OTHER PORTION OF THIS~~
 16 ~~ACT.~~

17 (2) The department shall appraise class B lands at
 18 their market value as recreational lands.

19 (3) The department of revenue, upon receipt of the
 20 owner's election, shall reduce the previously appraised
 21 value of class A lands ~~that portion assigned to recreation~~
 22 by twenty-five percent (25%) and shall thereafter maintain
 23 such appraisals at seventy-five percent (75%) of the value
 24 ~~which~~ OF the land ~~would have if it were class B~~ SO LONG AS
 25 IT REMAINS CLASS A.

1 (4) The owner of class A land, his heirs, successors,
 2 and assigns, shall agree with the department of fish and
 3 game for a minimum of ten (10) years to permit public access
 4 across the land for outdoor recreational purposes, subject
 5 to such REASONABLE limitations for the protection of the
 6 land and the privacy of the persons residing thereon as the
 7 owner may stipulate. If this agreement or a renewal thereof
 8 is not in force, the subclassification of the land reverts
 9 to class B. The owner of class A recreational land, his
 10 heirs, successors, and assigns may not change the use of
 11 such land to any purpose incompatible with established
 12 recreational uses during the term of an agreement with the
 13 department of fish and game.

14 (5) The owner of class B land, his heirs, successors,
 15 and assigns, ~~may petition the department for~~
 16 ~~reclassification into another category at any time, which~~
 17 ~~petition shall be granted, SHALL AGREE THAT IN ADDITION TO~~
 18 ~~MEETING THE STANDARDS OF SECTION 10, SUBSECTION (4) OF THIS~~
 19 ~~ACT, THIS SECTION, THEY FURTHER WOULD AGREE TO ALLOW PUBLIC~~
 20 ~~CAMPING AND OVERNIGHT STAY UPON THEIR PROPERTY IN DESIGNATED~~
 21 ~~LOCATIONS WITHOUT CHARGE.~~

22 (6) THE DEPARTMENT OF REVENUE, IN ADDITION TO ANY
 23 OTHER TAX SCHEDULE PLACED ON THE LAND, SHALL REDUCE THE
 24 PREVIOUSLY APPRAISED VALUE OF CLASS A B LAND ~~THAT~~ PORTION
 25 ASSIGNED RECREATION BY A VALUE OF FORTY PERCENT (40%) AND

1 SHALL THEREAFTER MAINTAIN SUCH APPRAISALS AT SIXTY PERCENT
 2 (60%) OF THE VALUE OF THE LAND SO LONG AS IT REMAINS CLASS
 3 E.

4 Section 12. Valuation of residential land. After
 5 classification as residential land, whether occupied or not,
 6 THE LAND shall not change in value for tax purposes unless
 7 it meets or is governed by the following provisions:

8 (1) Class A -- existing residential. Tax valuation
 9 changes shall be made in the following manner:

10 (a) If the existing usage is expanded or remodeled to
 11 expand land densities to A LEVEL TEN PERCENT (10%) HIGHER
 12 THAN THE PROPERTY SURROUNDING THAT EXPANDED OR REMODELED
 13 BASED ON A MEASUREMENT OF THREE NINE HUNDRED (3600) 19001
 14 FEET FROM THE PROPERTY LINE OF THE PIECE OF PROPERTY BEING
 15 EXPANDED OR REMODELED, THEN the conditions of class C new
 16 residential (multifamily) shall be followed.

17 (b) If existing residential property is remodeled to
 18 increase its valuation, ~~or if a totally new development~~
 19 ~~occurs, a tax credit in the amount of the remodeling or~~
 20 ~~development costs shall apply THE TOTAL VALUATION SHALL BE~~
 21 ~~REDUCED~~ for the first five (5) years after the remodeling ~~or~~
 22 ~~development COMMENCING IN THE AMOUNT OF THE REMODELING COSTS~~
 23 ~~THE FIRST YEAR AND~~, reducing in an amount of twenty percent
 24 (20%) per year for ~~EACH REMAINING YEAR IN~~ the five (5) year
 25 period.

1 (c) Residential land whose usage is altered to one
 2 other than residential shall be ~~taxed~~ VALUED at forty
 3 percent (40%) over the normal VALUATION for that usage in
 4 the state, unless the change is approved by the governing
 5 body. This increase shall apply for the first ten (10)
 6 years, after which no additional tax shall be levied. If
 7 said improvement is approved by the governing body, it shall
 8 be taxed as described in ~~section 6, subsection 4~~ SECTION 11
 9 SUBSECTION (3) OF THIS SECTION.

10 (d) If residential land is transferred from this
 11 category to any class of agricultural land, after the
 12 enactment of this act, there shall be an immediate ~~tax~~
 13 ~~relief~~ ~~directly proportionate to the class~~ REDUCTION OF
 14 VALUE TO THE APPROPRIATE SUBCLASSIFICATION of the land into
 15 which the transferred land is reclassified.

16 (2) Class B -- new residential (single family). Any
 17 land which is converted to new residential shall be
 18 ~~classified~~ EVALUATED as follows:

19 (a) Land transferred from productive land shall be
 20 ~~taxed~~ VALUED in accordance with the appropriate sections of
 21 this act with the following exceptions:

22 (i) Land indicated as a planned unit developed and
 23 approved by the governing body shall be classified for tax
 24 purposes at ten percent (10%) below the normal ~~tax~~ VALUATION
 25 in the area for similar developments.

1 (ii) Land transferred from nonproductive land to
 2 residential purposes shall be ~~classified~~ EVALUATED at the
 3 time of transfer in an amount to decrease the tax valuation
 4 as follows:
 5 Land within the 20% a year for
 6 jurisdictional a period of 5
 7 4 1/2 mile limit years
 8 of a community
 9 Land ~~within a~~ BETWEEN
 10 ~~limit of~~ 4 1/2 miles AND 10% a year for
 11 ~~to~~ 10 miles from a period of 5
 12 the jurisdictional limit years
 13 Land beyond the 5% a year for
 14 ~~4-1/2 mile~~ limit 10 MILES, MEASURED a period of 5 years
 15 FROM THE FOUR AND ONE HALF
 16 (4-1/2) MILE LIMIT OF THE
 17 NEAREST INCORPORATED CITY
 18 IN A DIRECT LINE
 19 (iii) Land taken out of production and transferred to
 20 residential shall, in addition to any other provision of
 21 this act, ~~to increase~~ BE INCREASED IN taxable valuation in
 22 the following amounts:
 23 Land within the 2% a year for
 24 jurisdictional a period of 10
 25 4 1/2 mile limit years

1 of a community
 2 Land ~~within a~~ BETWEEN 20% 10% a year for
 3 ~~limit of~~ 4 1/2 miles AND a period of 10
 4 ~~to~~ 10 miles from years
 5 the jurisdictional limit
 6 Land beyond the 50% 25% a year for
 7 ~~4-1/2 mile~~ limit, MEASURED a period of 10
 8 FROM THE FOUR AND years
 9 ONE HALF (4-1/2) MILE LIMIT
 10 OF THE NEAREST INCORPORATED
 11 CITY IN A DIRECT LINE
 12 (3) Class C - new residential (multifamily). Land
 13 which is transferred from any use to multifamily OTHER THAN
 14 PLANNED UNIT DEVELOPMENT OR RECREATIONAL DEVELOPMENTS AS
 15 APPROVED BY THE GOVERNING AUTHORITY in addition to any other
 16 provision of this act shall be classified VALUED as follows:
 17 Highest density of area of change in Appraised value of
 18 the land is reclassified --- appraised the improvement
 19 REVALUED DENSITY SHALL BE INCREASED
 20 RECLASSIFIED APPRAISED DECREASED
 21 from is contiguous to land and over base
 22 EXISTING CHANGE IN INCREASE (DECREASE)
 23 DENSITY DENSITY IN APPRAISED VALUE

0 - 1	+50%
1 - 3	+25%

1 whether occupied or not, shall not change in value for tax
 2 purposes unless it meets or is governed by the following
 3 provisions:

4 (1) Class A - open undeveloped land. Open undeveloped
 5 land within the boundaries set as ~~set~~ COMMERCIAL land
 6 which has value and is not designated for usage as a parking
 7 area or park, and developed as such within two (2) years
 8 from the effective date of this act, shall be subject to
 9 taxation in the following method (after the two (2) year
 10 grace period):

11 1st year taxation - ~~no charge~~ 1% OVER VALUATION

12 EXISTING AT THE BEGINNING OF THE SAID TWO (2) YEARS: 2nd
 13 year taxation - +2% over THE PREVIOUS YEAR'S
 14 valuation/year;

15 3rd year taxation - +10% over THE PREVIOUS YEAR'S
 16 valuation/year;

17 3-5 years taxation - +20% over THE PREVIOUS YEAR'S
 18 valuation/year;

19 over 5 years - +30% over THE PREVIOUS YEAR'S
 20 valuation/year.

21 (2) Class B - existing improved land. All land in a
 22 commercial class shall remain in the same taxable base until
 23 expanded or remodeled. No expansion or remodeling shall
 24 occur without approval of the governing body.

25 Upon remodeling or improving, it shall receive a ~~tax~~

1 ~~20-10%~~ 3.1 - 9 +30% +25%
 2 ~~10-20%~~ 9.1 - 18 +10% + 2%
 3 ~~10-30%~~ 10.1 - 36 OVER 18 NO change No change

4 ~~30-40%~~ 36.1 - 54 -10% 10%
 5 ~~40-above 54~~ AND OVER -20% -25%

6 (4) Class D - commercial land. Land converted to
 7 commercial development within the classification of
 8 residential land shall be, in addition to any other portion
 9 of this act, classified VALUED as follows:

10 Highest density of area - OF - Change in Appraised value of
 11 the land to be classified appraised the improvement ---

12 ~~-----REVISED~~ DENSITY SHALL BE INCREASED
 13 ~~RECLASSIFIED~~ APPRAISED

14 -----REVISED +
 15 EXISTING CHANGE IN INCREASE (DECREASE)
 16 DENSITY DENSITY IN APPRAISED VALUE

17 from contiguous to land over base
 18 ~~0-10%~~ 0 - 1 +20% +10%
 19 ~~10-20%~~ 1 - 3 +10% + 5%
 20 ~~20-30%~~ 3.1 - 9 + 5% + 2%

21 ~~30-40%~~ 9.1 - 18 No change No change
 22 ~~40-50%~~ 18.1 - 36 -10% - 5%
 23 ~~over 50%~~ 36.1 - 54 -15% -10%

24 54 AND OVER -25% -15%

25 Section 13. After classification as commercial, land,

1 ~~credit~~ REDUCTION IN VALUATION in the amount of its valuation
 2 change which shall apply as a ~~tax credit against~~ REDUCTION
 3 IN VALUATION OF the property for a period of five (5) years,
 4 COMMENCING IN THE AMOUNT OF THE COST OF REMODELING OR
 5 IMPROVING IN THE FIRST YEAR AND reducing in an amount of
 6 twenty percent (20%) per year FOR EACH REMAINING YEAR
 7 THEREAFTER.

8 (3) Class C - existing improved land. Existing real
 9 estate developments STRUCTURES AND BUILDINGS shall be frozen
 10 in their existing tax base for a period of ten (10) years,
 11 unless remodeled, where section 12(1)(a) shall apply. If
 12 not remodeled after ten (10) years, the following shall
 13 apply:

14 Age of structure
 15 after ~~10-year~~ IN YEARS Tax increase ~~in years~~ deley ACCORDING
 16 TO THE YEARS SINCE REMODELED LAST
 17 base period 1-5 5-10 10-15 15 and over
 18 --- 1-5 YEARS 5-10 YEARS 10-15 YEARS 15 YEARS

	AND OVER			
20 10-12	1%	2%	4%	5%
21 12-15	2%	4%	6%	8%
22 15-20	4%	8%	12%	16%
23 21-25	10%	12%	16%	18%
24 26-30	15%	18%	20%	24%
25 31-40	25%	28%	30%	35%

1 40-50 40% 45% 50% 60% 60%
 2 50-Over 50% 60% 75% 100%
 3 (4) Class D - new improved land.
 4 (a) The construction cost and land cost of any
 5 commercial development within a classified commercial or
 6 residential area shall not be taxed for its construction
 7 period ~~and for a period of two (2) years after occupancy.~~
 8 (b) Following the nontaxable period as indicated in
 9 ~~(4)(a) improvements shall be taxed in increments as~~
 10 ~~follows:~~

11 ~~Commercial land Residential land~~
 12 ~~a ten percent (10%) a thirty three and one third~~
 13 ~~increase in valuation percent (33 1/3%)~~
 14 ~~per year until a total increase in valuation~~
 15 ~~value for tax purposes per year until a total~~
 16 ~~is one hundred percent value for tax purposes~~
 17 ~~(100%) of value is one hundred percent~~
 18 ~~(100%) of value~~

19 THE TOTAL COST OF LAND AND IMPROVEMENTS DEVELOPED AS NEW
 20 COMMERCIAL PROPERTY SHALL BE TAXED AS FOLLOWS:
 21 COMMERCIAL LAND LOCATION TAXABLE SCHEDULE
 22 (I) LAND WITHIN AND IMPROVEMENTS SHALL BE
 23 EXTENDING NINE HUNDRED TAXED IN ADDITIONAL
 24 (900) FEET BEYOND THAT INCREMENTS AS FOLLOWS:
 25 AREA DESIGNATED BY THE A TEN PERCENT (10%)

1 GOVERNING AUTHORITY AS INCREASE IN VALUATION PER
 2 THE CENTRAL BUSINESS YEAR UNTIL A TOTAL VALUE
 3 DISTRICT OF A COMMUNITY. FOR TAX PURPOSES IS ONE
 4 HUNDRED PERCENT (100%)
 5 OF VALUE.
 6 (II) LAND FROM THAT IMPROVEMENTS SHALL BE
 7 DESIGNATION UNDER TAXED IN ADDITIONAL
 8 SUBSECTION (4) (1) (I) INCREMENTS AS FOLLOWS: A
 9 AND TO THE CORPORATE THIRTY-THREE AND
 10 BOUNDARY OR CITY LIMITS. ONE-THIRD PERCENT
 11 (33 1/3%) INCREASE IN
 12 VALUATION PER YEAR UNTIL
 13 A TOTAL VALUE FOR TAX
 14 PURPOSES IS ONE HUNDRED
 15 PERCENT (100%) OF VALUE.
 16 (III) LAND LYING FROM AN INCREASE IN TAXES
 17 THE CORPORATE BOUNDARY TO OVER THE NORMALLY
 18 THE FOUR AND ONE-HALF ASSESSED VALUE OF TEN
 19 (4 1/2) MILE LIMIT. PERCENT (10%) PER YEAR
 20 FOR A PERIOD OF TEN YEARS
 21 UNLESS GIVEN A WAIVER BY
 22 THE GOVERNING AUTHORITY.
 23 (IV) LAND LYING BEYOND AN INCREASE IN TAXES
 24 THE FOUR AND ONE-HALF OVER THE NORMALLY
 25 (4 1/2) MILE LIMIT. ASSESSED VALUE OF

1 THIRTY-FIVE PERCENT (25%)
 2 PER YEAR FOR FIFTEEN (15)
 3 YEARS UNLESS GIVEN A
 4 WAIVER BY THE GOVERNING
 5 AUTHORITY.
 6 Section W. (1) Valuation of industrial land. After
 7 being classified as industrial, land, whether occupied or
 8 not, shall not change in value for tax purposes unless it
 9 meets or is governed by the following provisions:
 10 (1) Class A (existing industrial land). Tax valuation
 11 changes shall be made in the following manner:
 12 (a) Class A - all lands existing at the passage of
 13 this act, in a category of developed land, which lands are
 14 to continue in their existing tax categories for ten (10)
 15 years, and which, at the end of ten (10) years, if not
 16 remodeled or cleared, are to be taxed according to
 17 commercial land class C;
 18 (b) Class B - those lands which expand an existing
 19 facility either through the remodeling or through a value
 20 increase of 10% or more from its approved value of an
 21 existing location or the acquisition of land to expand an
 22 existing facility, or both, meeting the following
 23 requirements, shall be so classified:
 24 (i) when the expansion has no unfavorable or adverse
 25 effects on the property surrounding the facility, and

1 (ii) when the immediate cost of additional local
 2 services will be covered by the tax impact of the facility,
 3 or the expanded facility will meet these needs by its own
 4 resources, and
 5 (iii) when the new facility will create new economic
 6 opportunities for those living in the community, and
 7 (iv) when the new facility will not have an adverse
 8 effect on natural resources or scenic characteristics of the
 9 area, and
 10 (v) when the development has been planned for and
 11 coordinated with the governing body.

12 (c) Class C - those lands and/or facilities which
 13 when remodeled or expanded will:

- 14 (i) cause a tax burden in the community because the
- 15 expansion will require added community services to meet the
- 16 impact,
- 17 (ii) not cause an unfavorable or adverse effect on the
- 18 community,
- 19 (iii) the impact causes an increase in population by
- 20 adding one percent (1%) or more population measured in a
- 21 fifty (50) mile radius from the point of expansion, or
- 22 (iv) provide needed and desired economic impact in the
- 23 community.
- 24 (d) Class D - those lands and/or facilities which
- 25 when remodeled or expanded will:

- 1 (i) cause a tax burden on the community because the
- 2 expansion will require additional community services to meet
- 3 the impact,
- 4 (ii) cause an unfavorable or adverse effect on the
- 5 community, or
- 6 (iii) cause an increase in population by adding one
- 7 percent (1%) or more population to the community when
- 8 measured in a fifty (50) mile radius from the point of
- 9 expansion.

10 Section 15. Taxation of classified industrial land.
 11 Within one (1) year after the alteration ~~EXPANSION~~ OF
 12 existing industrial property INTO LAND ~~NOT PRESENTLY~~
 13 ~~CLASSIFIED AS INDUSTRIAL LAND~~, dating from the ~~time of the~~
 14 ~~actual start of TERMINATION OF THE~~ construction PERIOD the
 15 following ~~tax~~ VALUATION changes shall be made ~~FOR THE~~
 16 ~~TABLE VALUE ON THE VALUES OF THE LAND AND IMPROVEMENTS:~~

17 Location	Industrial Classification	
	CLASS A	CLASS B CLASS C CLASS D
18 Agricultural	0	10 30 100
19 Recreational	50	75 100 200
20 Residential	0	10 30 100
21 Commercial	25	10 0 50
22 Industrial	50	25 10 25
23 Open Space	N.P.	N.P. N.P. N.P.
24 N.P.	Not permitted	

	CLASS A	CLASS B	CLASS C	CLASS D
1				
2	AGRICULTURAL	+100	+30	+10
3	RECREATIONAL	+200	+100	+75
4	RESIDENTIAL	+100	+30	+10
5	COMMERCIAL	+50	0	10
6	INDUSTRIAL	+25	10	25
7	OPEN SPACE	M.P.	M.P.	M.P.
8		M.P.	NOT PERMITTED	
9	CLASS A	CLASS B	CLASS C	CLASS D
10	AGRICULTURAL	0	+10	+30
11	RECREATIONAL	+50	+75	+100
12	RESIDENTIAL	0	+10	+30
13	COMMERCIAL	-25	-10	0
14	INDUSTRIAL	-50	-25	-10

15 EXPANSION INTO OPEN SPACE SHALL NOT BE PERMITTED.

16 Section 16. New industrial land. New industrial land

17 which will be of economic benefit to Montana shall be taxed

18 and classified as follows:

- 19 (1) Class A. This classification of land shall be for
- 20 those new facilities which meet the following standards:
- 21 (a) An area which is planned for orderly development
- 22 and has through its study shown the governing body it will
- 23 meet the following minimum standards:
- 24 (i) It would have sufficient water available for its
- 25 foreseeable needs.

1 (ii) It would not have significant adverse effects on

2 the natural environment and would not cause undue air or

3 water pollution.

4 (iii) It would not adversely affect existing land

5 uses, scenic characteristics, natural resources or property

6 values.

7 (iv) It would have or provide adequate sewage and

8 solid waste disposal facilities.

9 (v) It would have, as already established, within a

10 community, or provide if needed, to meet the following

11 facilities to meet its anticipated population influx into

12 the community:

- 13 (A) school, hospital and other social needs;
- 14 (B) street or highway development;
- 15 (C) parks, playgrounds and recreation developments;
- 16 (D) housing or areas for housing development;
- 17 (E) shopping facilities or see that another source
- 18 develops adequate facilities to meet minimum needs.

19 (2) Class B. This classification of land or usage

20 shall be for those new facilities which meet the following

21 standards:

22 (a) An area which is planned for orderly development

23 and has through its study shown the governing body it will

24 meet the following minimum standards:

25 (i) It would have sufficient water available for its

1 foreseeable needs.

2 (ii) It would not have significant adverse effects on
3 the natural environment and would not cause undue air or
4 water pollution.

5 (iii) It would have as already established within a
6 community, or provide if needed, to meet the following
7 facilities to meet its anticipated population influx into
8 the community:

9 (A) school, hospital and other social needs;

10 (B) street and/or highway development;

11 (C) parks, playgrounds and recreation developments.

12 (3) Class C. This classification of land or usage
13 shall be for those new facilities, which plan for the
14 orderly growth, but make no attempt to meet proposed needs.

15 (4) Class D. This classification or usage governs
16 that new usage which does not attempt to MEET PROPOSED
17 NEEDS, or provide a development plan accepted by the
18 governing body.

19 Section 17. Taxation and classification of new
20 industrial land. ~~within one (1) year after the start of~~
21 AFTER THE TERMINATION OF THE construction PERIOD of a new
22 industrial facility the following ~~tax~~ adjustments IN
23 VALUATIONS shall be made. The adjustments are in addition
24 to current evaluation standards. CLASSIFICATION PRIOR TO
25 LOCATION OF FACILITY MEANS THE CLASSIFICATION EXISTING PRIOR

1 TO ANY ATTEMPT TO OBTAIN A VARIANCE WITHOUT A CHANGE IN THE
2 BOUNDARY UNDER SECTION [22] [23] FOR THE LOCATION OF THAT
3 PARTICULAR FACILITY.

4 CLASSIFICATION PRIOR TO

5 ~~Location~~ Developed INDUSTRIAL Land Classification
6 OF FACILITY

	CLASS A	CLASS B	CLASS C	CLASS D
8 Agricultural	+25	+35	+75	+100
9 Recreational	+25	+45	+85	+125
10 Residential	+40	+20	+50	+75
11 Commercial	25	15	+25	+50
12 Industrial	50	25	+10	+25
13 AGRICULTURAL	+100	+75	+35	+25
14 RECREATIONAL	+125	+85	+45	+25
15 RESIDENTIAL	+75	+50	+20	+10
16 COMMERCIAL	+50	+25	+15	+25
17 INDUSTRIAL	+25	+10	+25	+50
18 OPEN SPACES	N.P.	N.P.	N.P.	N.P.
19	(N.P. - Not Permitted)			
20 AGRICULTURAL	+25	+35	+75	+100
21 RECREATIONAL	+25	+45	+85	+125
22 RESIDENTIAL	+10	+20	+50	+75
23 COMMERCIAL	-25	-15	+25	+50
24 INDUSTRIAL	-50	-25	+10	+25

25 NEW CONSTRUCTION ON OPEN SPACE SHALL NOT BE PERMITTED.

1 Section 18. Open space. After classification, any
2 classified usage may be reclassified into open space for the
3 following purposes:

4 (1) To assist in developing green belts and providing
5 needed open space both the private sector and the public,
6 may acquire or dedicate open space. If open space is
7 acquired by the governing body, it must be:

8 (a) essential to the orderly growth and development of
9 the area;

10 (b) in accordance with the program of comprehensive
11 planning for the area at the time of its creation; and

12 (c) in accordance with the provisions of Montana law.

13 (2) Open space may be acquired by the governing body
14 by purchase, trade or other means available other than
15 condemnation. Once land is classified as open space, it
16 must remain as such until it is determined by the governing
17 body to be out of phase with the master plan, at which time
18 the land may be traded for a feasible equivalent. Open
19 space land DEDICATED UNDER THIS ACT, once declared, either
20 by the governing body or the public, may not be sold UNLESS
21 IT MEETS THE PROVISIONS OF SECTION 19 [19].

22 Section 19. Taxation of open space. Open space shall
23 be taxed in the following manner:

24 (1) If a private owner dedicates land as open space,
25 it will remain forever off the tax base and the owner of

1 record will receive, in tax credits, an amount equal to the
2 fair market value of the land from the governing body.

3 (2) Open space land dedicated in any agricultural zone
4 may be used for agricultural AGRICULTURE as directed by the
5 governing body, by the original owner at the time of
6 transfer DEDICATING THE LAND and any successors owning the
7 property IN INTEREST.

8 (3) No owner may classify more than ten percent (10%)
9 of his land open space without the permission of the
10 governing body, however, he may place any amount into
11 recreational land as defined by this act.

12 (4) If timberland is removed from the tax base through
13 this classification, it may not be harvested for profit and
14 may be cut only for the advancement of recreational
15 purposes.

16 (5) ONCE OPEN SPACE IS CREATED, ACQUIRED OR
17 CLASSIFIED, THE OWNER OF RECORD MUST MAINTAIN THE PROPERTY
18 OR THE OPEN SPACE CLASSIFICATION MAY BE WITHDRAWN BY THE
19 LOCAL GOVERNING BODY.

20 (6) UPON APPROVAL BY THE LOCAL GOVERNING BODY, OPEN
21 SPACE MAY BE TRANSFERRED TO A NEW USE PROVIDED A PAYMENT OF
22 TWICE THE AMOUNT OF TAX BENEFIT WHILE THE LAND WAS
23 CLASSIFIED AS OPEN SPACE IS PAID TO THE LOCAL GOVERNING
24 BODY.

25 Section 20. Special conditions. (1) No provision of

1 ownerships may be so classified as to meet one (1) or more
 2 of the standards of this act.
 3 ~~(1)(2)~~(4) Hospitals, churches, rest homes, nursing
 4 homes, governmental buildings, schools, colleges, or any
 5 other charitable institution operating on a nonprofit basis
 6 under section 84-202, may be located in any area of land so
 7 classified by this act, with the exception of recreational
 8 or open space classification.

9 Section 21. Rules and regulations. ~~State--government~~
 10 THE STATE ADMINISTERING AGENCY shall adopt such rules and
 11 regulations pursuant to Montana Administrative Procedure
 12 Act, as are necessary for the administration of this act.

13 SECTION 22. EXEMPTIONS FROM ACT. APPLICATION TO THOSE
 14 OVER SIXTY-TWO (62) YEARS OF AGE AND TO THOSE EXISTING BELOW
 15 POVERTY STANDARDS. NO PROVISION OF THIS ACT WHICH HAS A
 16 NEGATIVE OR ADVERSE TAXATION EFFECT SHALL APPLY TO A PRIVATE
 17 RESIDENCE OWNED BY A PERSON OR PERSONS OVER SIXTY-TWO (62)
 18 YEARS OF AGE OR THOSE IN AN INCOME BRACKET ESTABLISHED BY
 19 THE FEDERAL GOVERNMENT TO BE BELOW POVERTY STANDARDS.

20 SECTION 23. THERE IS A NEW R.C.M. SECTION THAT READS
 21 AS FOLLOWS:

22 Changes in boundaries. After final adoption of a plan,
 23 the governing body, or any property owner may petition for a
 24 variance or a change in the boundary of any land use
 25 classification. Within ten (10) days of receipt of the

1 ~~the act shall provide FROM THE local government units from~~
 2 ~~levying cost coalitions or tax decreases into their tax~~
 3 ~~levies to compensate for inflation or reductions due to~~
 4 ~~changes in physical needs.~~
 5 ~~(2) Any land classified under this act may be, at the~~
 6 ~~owner's option, reclassified at any time to a new~~
 7 ~~classification within categories if allowed under the~~
 8 ~~requirements of that classification. ANY INCREASE IN~~
 9 ~~TAXATION TO PAY FOR THE LOSS OF REVENUE CAUSED BY THIS ACT~~
 10 ~~SHALL BE REFLECTED IN AN INCREASE IN MILL LEVIES AND NOT IN~~
 11 ~~AN INCREASE IN THE VALUATION OF SPECIFIC PROPERTY (1) NO~~
 12 ~~PROVISION OF THIS ACT SHALL PROVIDE LOCAL GOVERNMENT UNITS~~
 13 ~~FROM PAYING COST RECALIBRATIONS OR TAX DECREASES INTO THEIR~~
 14 ~~TAX LEVIES TO COMPENSATE FOR INFLATION OR REDUCTIONS DUE TO~~
 15 ~~CHANGES IN PHYSICAL NEEDS.~~

16 ~~(2)(1) ANY LAND CLASSIFIED UNDER THIS ACT MAY BE, AT~~
 17 ~~THE OWNER'S OPTION, RECLASSIFIED AT ANY TIME TO A NEW~~
 18 ~~CLASSIFICATION WITHIN CATEGORIES IF ALLOWED UNDER THE~~
 19 ~~REQUIREMENTS OF THAT CLASSIFICATION AS SET FORTH IN THIS~~
 20 ~~ACT.~~

21 ~~(2) ANY INCREASES IN TAXATION TO PAY FOR THE LOSS OF~~
 22 ~~REVENUE CAUSED BY THIS ACT SHALL BE REFLECTED IN AN INCREASE~~
 23 ~~IN MILL LEVIES AND NOT IN AN INCREASE IN THE VALUATION OF~~
 24 ~~SPECIFIC PROPERTY.~~

25 ~~(3) (1)(3) Any property under one (1) or more~~

1 petition, the governing body shall forward a copy of the
 2 petition to the affected municipal, regional, or county
 3 planning organization and the appropriate state agencies.
 4 After sixty (60) days but within one hundred twenty (120)
 5 days of the receipt of a petition, the governing body shall
 6 advertise a public hearing to be held in the county, and
 7 serve notice on the persons and agencies that have an
 8 interest in the subject of the petition, at least ten (10)
 9 days prior to the hearing date.

10 No petition shall be approved unless the petitioner
 11 submits proof that the area is needed for a use other than
 12 that for which the land is classified, and the following
 13 requirements have been fulfilled:

14 (1) The land is usable and adaptable for the use for
 15 which it is proposed to be classified or that a new use of
 16 the land would be more beneficial to the area; and
 17 (2) Conditions and trends of development have so
 18 changed since the adoption of the existing classification,
 19 that the proposed classification is reasonable and
 20 desirable, and the land is capable of sustaining the use
 21 proposed; and

22 (3) That the proposed change shall offer the community
 23 relief from impact from an outside or uncontrollable
 24 influence facing the community because of new and
 25 substantial development.

1 Should the governing body approve the change in
 2 classification, it shall modify the existing land use plan
 3 to reflect such changes and change any taxable valuations as
 4 may be necessary.

5 SECTION 24. THERE IS A NEW R.C.M. SECTION THAT READS
 6 AS FOLLOWS:

7 Nonconforming uses. The lawful use of land or
 8 buildings existing on the date of establishment of any
 9 classification provided for under this act may be continued
 10 although the use does not conform to this act.

11 SECTION 25. THERE IS A NEW R.C.M. SECTION THAT READS
 12 AS FOLLOWS:

13 REAPPRAISAL BY DEPARTMENT. THE APPRAISED VALUE OF
 14 PROPERTY SHALL ALWAYS INCLUDE ANY INCREASES OR DECREASES
 15 DETERMINED BY THE DEPARTMENT OF REVENUE PURSUANT TO A
 16 RECLASSIFICATION PLAN ADOPTED UNDER ITS AUTHORITY. ANY
 17 INCREASES OR DECREASES IN VALUE SPECIFICALLY PROVIDED FOR
 18 UNDER THE TERMS OF THIS ACT SHALL BE MADE AFTER
 19 CONSIDERATION OF ALL SUCH REAPPRAISALS.

20 Section 26. Severability. If any provision of this
 21 act or its application to any person or circumstance is held
 22 invalid, the remainder of the act, or the application of the
 23 provisions to other persons or circumstances, is not
 24 affected.

25 SECTION 25. ANY PORTION OF THIS ACT SHALL BE EFFECTIVE

