

HOUSE BILL 397

IN THE HOUSE

January 24, 1979	Introduced and referred to Committee on Taxation.
March 19, 1979	Committee recommend bill, do not pass.
March 20, 1979	Printed and placed on members' desks.
March 21, 1979	Second reading, do pass. Considered correctly engrossed.
March 22, 1979	Third reading, passed.

IN THE SENATE

March 23, 1979	Introduced and referred to Committee on Taxation.
April 20, 1979	Died in Committee.

1 HOUSE BILL NO. 397
2 INTRODUCED BY Huerfano

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING WHO IS
5 LIABLE FOR PAYMENT OF THE ROLLBACK TAX IMPOSED UNDER THE
6 GREENBELT ACT; AMENDING SECTIONS 15-7-202 AND 15-7-207,
7 MCA."

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

10 Section 1. Section 15-7-202, MCA, is amended to read:

11 "15-7-202. Eligibility of land for valuation as
12 agricultural. (1) Land which is actively devoted to
13 agricultural use shall be eligible for valuation,
14 assessment, and taxation as herein provided each year it
15 meets either of the following qualifications:

16 (a) the area of such land is not less than 5
17 contiguous acres when measured in accordance with provisions
18 of 15-7-206, and it has been actively devoted to agriculture
19 during the last growing season, and it continues to be
20 actively devoted to agricultural use, which means:

21 (i) it is used to produce field crops including but
22 not limited to grains, feed crops, fruits, vegetables; or

23 (ii) it is used for grazing; or

24 (iii) it is in a cropland retirement program; or

25 (b) it agriculturally produces for sale or home

1 consumption the equivalent of 15% or more of the owners'
2 annual gross income regardless of the number of contiguous
3 acres in the ownership.

4 (2) Land ~~shall~~ may not be classified or valued as
5 agricultural if it is subdivided with stated restrictions
6 prohibiting its use for agricultural purposes.

7 ~~(3) Land may not be classified or valued as~~
8 ~~agricultural land if it is subdivided into parcels~~
9 ~~consisting of less than 20 acres and sold to a new owner~~
10 ~~unless the parties to the transaction enter a covenant that~~
11 ~~the divided land will be used exclusively for agricultural~~
12 ~~purposes as defined in this section. The parties to the~~
13 ~~transaction must sign a statement acknowledging that if the~~
14 ~~use of the land changes to a nonagricultural use within 5~~
15 ~~years from the date of sale, the seller will be liable for~~
16 ~~payment of the rollback tax defined in 15-7-209. After~~
17 ~~expiration of the 5-year time limit, the buyer is liable for~~
18 ~~the rollback tax.~~

19 ~~(3)(4)~~ The grazing on land by a horse or other animals
20 kept as a hobby and not as a part of a bona fide
21 agricultural enterprise shall not be considered a bona fide
22 agricultural operation."

23 Section 2. Section 15-7-207, MCA, is amended to read:

24 "15-7-207. Continuance of valuation as agricultural
25 land -- filing of acknowledgment of potential rollback tax

-2- HB 397
INTRODUCED BILL

1 liability. (1) Continuanee of valuation, assessment, and
2 taxation under this part shall depend upon continuance of
3 the land in agricultural use and compliance with the other
4 requirements of this part and not upon continuance in the
5 same owner of title to the land. Liability to the rollback
6 tax shall attach when a change in use of the land occurs but
7 not when a change in ownership of the title takes place if
8 the new owner continues the land in agricultural use under
9 the conditions prescribed in this part.

10 (2) When land that is assessed for agricultural use
11 changes ownership, the new owner shall file with the county
12 assessor a statement signed by both parties to the
13 transaction acknowledging that the new owner may be liable
14 under the provisions of this part for payment of the
15 rollback tax imposed by 15-7-204.*

-End-

STATE OF MONTANA

Request No. 451-79

FISCAL NOTE

Form BD-15

In compliance with a written request received March 9, 1979, there is hereby submitted a Fiscal Note for House Bill 397 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:

This proposed bill would clarify who is liable for payment of the rollback tax imposed under the Greenbelt Act.

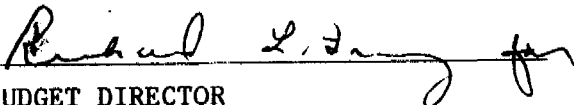
ASSUMPTIONS:

This legislation clarifies who is liable for payment of the rollback tax imposed under the Greenbelt Act.

FISCAL IMPACT:

None.

(Prepared by the Department of Revenue)


BUDGET DIRECTOR
Office of Budget and Program Planning
Date: 3/13/79

Approved by Committee on Taxation

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2 INTRODUCED BY Huebscher

3
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15 ~~years from the date of sale, the seller will be liable for~~
16 ~~payment of the rollback tax defined in 15-7-204. After~~
17 ~~expiration of the 5-year time limit, the buyer is liable for~~
18 ~~the rollback tax.~~

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-End-