

CHAPTER NO. 608

SENATE BILL NO. 174

INTRODUCED BY HAGER, DONALDSON

IN THE SENATE

January 19, 1979	Introduced and referred to Committee on Taxation.
January 22, 1979	Fiscal note requested.
January 25, 1979	Committee recommend bill do pass as amended. Report adopted.
January 26, 1979	Fiscal note returned. Printed and placed on members' desks.
January 27, 1979	Second reading, do pass.
January 29, 1979	Considered correctly engrossed.
January 30, 1979	Third reading, passed. Transmitted to second house.

IN THE HOUSE

January 31, 1979	Introduced and referred to Committee on Taxation.
April 11, 1979	Committee recommend bill be concurred in as amended. Report adopted.
April 12, 1979	Second reading, concurred in.
April 16, 1979	Third reading, concurred in as amended.

IN THE SENATE

April 17, 1979	Returned from second house. Concurred in as amended.
April 18, 1979	Second reading, amendments adopted.

April 18, 1979

On motion rules suspended.
Bill placed on Calendar for
third reading this day.

Third reading, amendments
adopted. Sent to enrolling.

Reported correctly enrolled.

1 Sen. BILL NO. 174
 2 INTRODUCED BY Hager / Ronalelson

3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT TO INCLUDE LAND USED TO
 5 RAISE CERTAIN ANIMALS IN A CONFINED AREA AS ELIGIBLE FOR
 6 VALUATION AS AGRICULTURAL LAND; AMENDING SECTION 15-7-202,
 7 MCA; AND PROVIDING EFFECTIVE AND APPLICABILITY DATES."

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 used to raise animals in confined areas for~~
 25 ~~the production of food or fiber, including but not limited~~

1 ~~to livestock feedlots, dairies, fish hatcheries, and poultry~~
 2 ~~farms; or~~

3 ~~(iii)(iv)~~ it is in a cropland retirement program; or

4 (b) it agriculturally produces for sale or home
 5 consumption the equivalent of 15% or more of the owners'
 6 annual gross income regardless of the number of contiguous
 7 acres in the ownership.

8 (2) Land shall not be classified or valued as
 9 agricultural if it is subdivided with stated restrictions
 10 prohibiting its use for agricultural purposes.

11 (3) The grazing on land by a horse or other animals
 12 kept as a hobby and not as a part of a bona fide
 13 agricultural enterprise shall not be considered a bona fide
 14 agricultural operation."

15 Section 2. Effective and applicability date. This act
 16 is effective on passage and approval and applies to taxable
 17 years beginning after December 31, 1978.

-End-

STATE OF MONTANA

REQUEST NO. 72-79

FISCAL NOTE

Form BD-15

In compliance with a written request received January 22, 19 79, there is hereby submitted a Fiscal Note for Senate Bill 174 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 bill includes land used to raise certian animals in a confined area as eligible for valuation as agricultural land; amending section 15-7-202, MCA; and providing effective and applicability dates.

ASSUMPTIONS

The fiscal impact of this legislation cannot be determined due to the fact that the necessary data are not available.

FISCAL IMPACT

The fiscal impact cannot be determined.

TECHNICAL NOTES

With sketchy data from a few counties, the statewide taxable value might be decreased from \$1.5 million to \$1.2 million, if this legislation were enacted. Some of this land is already taxed at a rate that is similar to the tax rate applied to agricultural land. With an average mill levy of 200 mills, this legislation should decrease revenues to local governments from \$300,000 to \$240,000, a net decrease of \$60,000. The 6 mill university levy might be decreased from \$9,000 to \$7,200, a decrease of \$1,800.

(Prepared by the Department of Revenue)

Richard L. Strong
BUDGET DIRECTOR

Office of Budget and Program Planning

Date: 1/25/79

Approved by Committee
on Taxation

SENATE BILL NO. 174

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

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

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

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

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

(ii) it is used for grazing; or OR

~~(iii) it is used to raise animals in confined areas for the production of food or fiber, including but not limited~~

~~to livestock feedlots, dairies, fish hatcheries, and poultry farms; or~~

~~++++(iv) it is in a cropland retirement program; or~~

(b) it agriculturally produces for sale or home consumption the equivalent of 15% or more of the owners' annual gross income regardless of the number of contiguous acres in the ownership.

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

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

Section 2. Effective and applicability date. This act is effective on passage and approval and applies to taxable years beginning after December 31, 1978.

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

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

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

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

(ii) it is used for grazing; or OR

~~it is used to raise animals in confined areas for the production of food or fiber, including but not limited~~

~~to livestock feedlots, dairies, fish hatcheries, and poultry farms or~~

~~it is in a cropland retirement program;~~
or

(b) it agriculturally produces for sale or home consumption the equivalent of 15% or more of the owners' annual gross income regardless of the number of contiguous acres in the ownership; OR

(C) IT IS USED TO RAISE ANIMALS IN CONFINED AREAS FOR THE PRODUCTION OF FOOD OR FIBER, INCLUDING BUT NOT LIMITED TO LIVESTOCK, FEEDLOTS, DAIRIES, FISH HATCHERIES, AND POULTRY FARMS.

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

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

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-End-

Committee on Taxation Amendments to Senate Bill No. 174,
third reading copy, as follows:

1. Page 1, line 15.
Following: "meets"
Strike: "either"
Insert: "any"

2. Page 1, line 24 through line 2 on page 2.
Following: line 23
Strike: line 24 on page 1 through page 2; line 2 in their
entirety.
Re-number: Subsequent subsection

3. Page 2, line 7.
Following: "ownership"
Strike: ", "
Insert: "; or

(c) it is used to raise animals in confined areas for
the production of food or fiber, including but not limited
to livestock, feedlots, dairies, fish hatcheries, and poultry
farms,"

AND AS AMENDED
BE CONCURRED IN