HOUSE JOINT RESOLUTION NO. 35

INTRODUCED BY JACOBSEN, HOLLIDAY, SPAETH, SAUNDERS, BACHINI, ERNST, HANSON, LYBECK, ROUSH, KOEHNKE, SCHULTZ, BLISS, R. JENSEN, UNDERDAL, RYAN, BENGTSON, ELLERD

BY REQUEST OF THE HOUSE COMMITTEE ON AGRICULTURE, LIVESTOCK AND IRRIGATION

IN THE HOUSE

March	17, 1983	Introduced and referred to Committee on Agriculture, Livestock and Irrigation.
March	21, 1983	Committee recommend bill do pass. Report adopted.
March	22, 1983	Bill printed and placed on members' desks.
		Motion pass consideration until 71st Legislative Day.
March	29, 1983	Second reading, do pass as amended.
March	30, 1983	Correctly engrossed.
		Third reading, passed. Transmitted to Senate.
IN THE SENATE		
April	5, 1983	Introduced and referred to Committee on Agriculture, Livestock and Irrigation.
April	8, 1983	Committee recommend bill be concurred in. Report adopted
April	11, 1983	Second reading, concurred in.
April	12, 1983	Third reading, concurred in. Ayes, 42; Noes, 6.

IN THE HOUSE

April 12, 1983

April 13, 1983

Returned to House. Sent to enrolling. Reported correctly enrolled. LC 1399/01

HOUSE JOINT RESOLUTION NO. 35 1 Sand Samler INTRODUCED BY A Contom Th HOUSE COMMITTEE 1 lins to LIVESTOCK AND IRRIGATION aller Jengton

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF 6 7 REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN 8 INTERIM STUDY OF THE CLASSIFICATION, EVALUATION, AND ASSESSMENT OF AGRICULTURAL LAND FOR TAX PURPOSES, THE LAWS 9 AND EXISTING AND PROPOSED ADMINISTRATIVE RULES RELATING 10 THERETO, AND THE EXISTING AND PROPOSED TAX COMPUTATION 11 METHODS: REQUIRING A WRITTEN REPORT OF THE STUDY TO THE 49TH 12 13 LEGISLATURE.

14

15 #HEREAS, the Montana Constitution requires equality 16 throughout the state in the assessed valuation of property 17 for tax purposes; and

RHEREAS, the Montana Code Annotated provides that 18 agricultural land is taxed at 30% of its productive 19 capacity, that agricultural lands are to be uniformly 20 21 classified to secure an equitable and uniform basis of 22 assessment of such lands and must be classified and appraised as agricultural lands without regard to the 23 24 highest and best use of neighboring lands, and that the 25 Legislature intends agricultural lands to be classified and

assessed at a value that is exclusive of values attributed
 to speculative purposes; and

3 WHEREAS, the Department of Revenue has drafted and 4 proposes to adopt a new set of rules for the classification, 5 valuation, and assessment of agricultural lands for tax 6 purposes, which rules are substantially different than the 7 current rules, particularly with regard to irrigated 8 tillable land; and

9 WHEREAS, the Department's proposed new rules are such a 10 departure from the current rules that their application 11 would result in a considerable disruption of the tax status 12 and financial situation of many of the farmers and ranchers 13 of this state; and

HHEREAS, agriculture is Montana's major industry, and its products, particularly grains, are sold throughout the world and have an effect on the national economy and balance of payments as well as the economy of Montana; and

18 WHEREAS, the Department's proposed new rules have 19 raised concern among many members of the agricultural 20 community; and

21 HHEREAS, the House Committee on Agriculture, Livestock
22 and Irrigation has reviewed the statutes and current and
23 proposed rules relating to the classification and assessment
24 of agricultural lands for tax purposes and believes it to be
25 essential that they be the subject of an interim study.

-2- INTRODUCED BILL HER 35

lands for tax purposes; the effect on taxes and other 1 1 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE 2 results of the use of the various formulas and factors; and 2 OF REPRESENTATIVES OF THE STATE OF MONTANA: 3 which formulas and factors are the most appropriate: 3 4 That an appropriate interim committee be chosen from 4 (7) the opinions of farmers and ranchers, agricultural 5 among the members of the Senate and House standing 5 economists, the Departments of Revenue, Agriculture, and 6 Committees on Agriculture, Livestock and Irrigation and ٨ Livestock, and other experts relating to the classification, assigned to study: 7 7 valuation, and assessment of agricultural lands for tax (1) the provision's of the Montana Code Annotated 8 R purposes; 9 relating to the classification, valuation, and assessment of 9 (3) whether agricultural lands should be classified, 10 agricultural lands for tax purposes; 10 valued, and assessed solely in accord with statutes or in (2) the Department of Revenue's current and proposed 11 accord with a combination of statutes and administrative 11 rules for the classification, valuation, and assessment of 12 rules and which person, persons, or entity should carry out 12 13 agricultural lands for tax purposes; 13 the classification, valuation, and assessment; and (3) the method and means by which the Department 14 14 (9) any other appropriate matters relating to the arrived at its proposed rules and alternative methods and 15 15 resolution of problems detected in studying and determining 16 means that could have been used: 16 the matters set forth in subsections (1) through (8). 17 (4) the reaction of the agricultural industry to the 17 BE IT FURTHER RESOLVED, that the interim committee 18 proposed rules and the industry's views regarding the provide an outline and time frame for its study, schedule 16 19 proposed rules and changes in them; 19 meetings of the committee, and provide the 49th Legislature with a written report of its study, findings, and 20 (5) possible changes in the proposed rules that would 20 21 result in increased compliance of the rules with conclusions and with any drafts of legislation and rules 21 constitutional and statutory mandates and the financial 22 that may be necessary to implement the committee's findings. 22

~End-

-3-

classification, valuation, and assessment of agricultural

(6) formulas and factors that may be used in the

situation of Montana farmers and ranchers;

23

24

25

-4-

Approved by Committee on Agrivulture Livestock & Irrigation

FOLLAE JOINT RESOLUTION NO. 35 1 INTRODUCED BY 120 2 OF THE HOUSE COMMITTEE UN AGRECULTURE, LIVESTOCK AND IRRIGATION 4 englion 5

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF 6 REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN 7 INTERIM STUDY OF THE CLASSIFICATION, EVALUATION, AND 8 ASSESSMENT OF AGRICULTURAL LAND FOR TAX PURPOSES, THE LAWS 9 AND EXISTING AND PROPUSED ADMINISTRATIVE RULES RELATING 10 THERETO. AND THE EXISTING AND PROPOSED TAX COMPUTATION 11 12 METHODS: REQUIRING A WRITTEN REPORT OF THE STUDY TO THE 49TH LEGISLATURE. 13

14

15 MHEREAS, the Montana Constitution requires equality 16 throughout the state in the assessed valuation of property 17 for tax purposes; and

RHEREAS, the Montana Code Annotated provides that 16 19 agricultural land is taxed at 30% of its productive capacity, that agricultural lands are to be uniformly 20 21 classified to secure an equitable and uniform basis of assessment of such lands and must be classified 22 and 23 appraised as agricultural lands without regard to the highest and best use of neighboring lands, and that the 24 Legislature intends agricultural lands to be classified and 25

assessed at a value that is exclusive of values attributed
 to speculative purposes; and

3 WHEREAS, the Department of Revenue has drafted and 4 proposes to adopt a new set of rules for the classification, 5 valuation, and assessment of agricultural lands for tax 6 purposes, which rules are substantially different than the 7 current rules, particularly with regard to irrigated 8 tillable land; and

9 MHEREAS, the Department's proposed new rules are such a
10 departure from the current rules that their application
11 would result in a considerable disruption of the tax status
12 and financial situation of many of the farmers and ranchers
13 of this state; and

14 WHEREAS, agriculture is Montana's major industry, and 15 its products, particularly grains, are sold throughout the 16 world and have an effect on the national economy and balance 17 of payments as well as the economy of Montana; and

18 WHEREAS, the Department's proposed new rules have 19 raised concern among many members of the agricultural 20 community; and

21 HHEREAS, the House Committee on Agriculture, Livestock 22 and Irrigation has reviewed the statutes and current and 23 proposed rules relating to the classification and assessment 24 of agricultural lands for tax purposes and believes it to be 25 essential that they be the subject of an interim study.

-2- SECOND READING

LC 1399/01

• .

1

2 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE 3 OF REPRESENTATIVES OF THE STATE OF MONTANA:

4 That an appropriate interim committee be chosen from 5 among the members of the Senate and House standing 6 Committees on Agriculture, Livestock and Irrigation and 7 assigned to study:

8 (1) the provisions of the Montana Code Annotated 9 relating to the classification, valuation, and assessment of 10 agricultural lands for tax purposes;

(2) the Department of Revenue's current and proposed
 rules for the classification, valuation, and assessment of
 agricultural lands for tax purposes;

14 (3) the method and means by which the Department
15 arrived at its proposed rules and alternative methods and
16 means that could have been used;

17 (4) the reaction of the agricultural industry to the
18 proposed rules and the industry's views regarding the
19 proposed rules and changes in them;

20 (5) possible changes in the proposed rules that would 21 result in increased compliance of the rules with 22 constitutional and statutory mandates and the financial 23 situation of Montana farmers and ranchers;

(6) formulas and factors that may be used in theclassification, valuation, and assessment of agricultural

lands for tax purposes; the effect on taxes and other
 results of the use of the various formulas and factors; and
 which formulas and factors are the most appropriate;

4 (7) the opinions of farmers and ranchers, agricultural
5 economists, the Departments of Revenue, Agriculture, and
6 Livestock, and other experts relating to the classification,
7 valuation, and assessment of agricultural lands for tax
8 purposes;

9 (3) whether agricultural lands should be classified, 10 valued, and assessed solely in accord with statutes or in 11 accord with a combination of statutes and administrative 12 rules and which person, persons, or entity should carry out 13 the classification, valuation, and assessment; and

14 (9) any other appropriate matters relating to the
15 resolution of problems detected in studying and determining
16 the matters set forth in subsections (1) through (8).

17 BE IT FURTHER RESOLVED, that the interim committee 18 provide an outline and time frame for its study, schedule 19 meetings of the committee, and provide the 49th Legislature 20 with a written report of its study, findings, and 21 conclusions and with any drafts of legislation and rules 22 that may be necessary to implement the committee's findings.

-End-

LC 1399/01

-3-

-4-

1HOUSE JOINT RESOLUTION NO. 352INTRODUCED BY JACOBSEN, HOLLIDAY, SPAETH,3SAUNDERS, BACHINI, ERNST, HANSON, LYBECK,4ROUSH, KOEHNKE, SCHULTZ, BLISS, R. JENSEN,5UNDERDAL, RYAN, BENGTSON, ELLERD6BY REQUEST OF THE HOUSE COMMITTEE7ON AGRICULTURE, LIVESTOCK AND IRRIGATION

9 A JUINT RESOLUTION OF THE SENATE AND THE HOUSE OF 10 REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN INTERIM STUDY OF THE CLASSIFICATION. EVALUATION, 11 AND ASSESSMENT OF AGRICULTURAL LAND FOR TAX PURPOSES. THE LAWS 12 13 AND EXISTING AND PROPOSED ADMINISTRATIVE RULES RELATING 14 THERETO, AND THE EXISTING AND PROPUSED TAX COMPUTATION 15 METHODS; REQUIRING A WRITTEN REPORT OF THE STUDY TO THE 49TH 16 LEGISLATURE.

17

8

18 wHEREAS, the Montana Constitution requires equality 19 throughout the state in the assessed valuation of property 20 for tax purposes; and

21 WHEREAS, the Montana Code Annotated provides that 22 agricultural land is taxed at 30% of its productive 23 capacity, that agricultural lands are to be uniformly 24 classified to secure an equitable and uniform basis of 25 assessment of such lands and must be classified and

appraised as agricultural lands without regard to the
 highest and best use of neighboring lands, and that the
 Legislature intends agricultural lands to be classified and
 assessed at a value that is exclusive of values attributed
 to speculative purposes; and

6 WHEREAS, the Department of Revenue has drafted and 7 proposes to adopt a new set of rules for the classification, 8 valuation, and assessment of agricultural lands for tax 9 purposes, which rules are substantially different than the 10 current rules, particularly with regard to irrigated 11 tillable land; and

12 WHEREAS, the Department's proposed new rules are such a 13 departure from the current rules that their application 14 would result in a considerable disruption of the tax status 15 and financial situation of many of the farmers and ranchers 16 of this state; and

17 KHEREAS, agriculture is Montana's major industry, and 18 its products, particularly grains, are sold throughout the 19 world and have an effect on the national economy and balance 20 of payments as well as the economy of Montana; and

21 #HEREAS, the Department's proposed new rules have
22 raised concern among many members of the agricultural
23 community; and

24 WHEREAS, the House Committee on Agriculture, Livestock
 25 and Irrigation has reviewed the statutes and current and

-2- HJR 35

THIRD READING

proposed rules relating to the classification and assessment
 of agricultural lands for tax purposes and believes it to be
 essential that they be the subject of an interim study.

5 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE
6 OF REPRESENTATIVES OF THE STATE OF MONTANA:

7 That an appropriate interim committee be chosen from
 8 among-the-members-of-the-Senate-and-House--standing
 9 Committees-an-Agriculturey-Livestock-and-Irrightion and
 10 assigned to study:

11 (1) the provisions of the Montana Code Annotated
12 relating to the classification, valuation, and assessment of
13 agricultural lands for tax purposes;

14 (2) the Department of Revenue's current and proposed
15 rules for the classification, valuation, and assessment of
16 agricultural lands for tax purposes;

17 (3) the method and means by which the Department 18 arrived at its proposed rules and alternative methods and 19 means that could have been used;

20 (4) the reaction of the agricultural industry to the
21 proposed rules and the industry's views regarding the
22 proposed rules and changes in them;

23 (5) possible changes in the proposed rules that would 24 result in increased compliance of the rules with 25 constitutional and statutory mandates and the financial

-3-

HJR 35

1 situation of Montana farmers and ranchers;

2 (6) formulas and factors that may be used in the 3 classification, valuation, and assessment of agricultural 4 lands for tax purposes; the effect on taxes and other 5 results of the use of the various formulas and factors; and 6 which formulas and factors are the most appropriate;

7 (7) the opinions of farmers and ranchers, agricultural
8 economists, the Departments of Revenue, Agriculture, and
9 Livestock, and other experts relating to the classification,
10 valuation, and assessment of agricultural lands for tax
11 purposes;

12 (8) whether agricultural lands should be classified. 13 valued, and assessed solely in accord with statutes or in 14 accord with a combination of statutes and administrative 15 rules and which person, persons, or entity should carry out 16 the classification, valuation, and assessment; and

17 (7) any other appropriate matters relating to the
18 resolution of problems detected in studying and determining
19 the matters set forth in subsections (1) through (8).

20 BE IT FURTHER RESOLVED, that the interim committee 21 provide an outline and time frame for its study, schedule 22 meetings of the committee, and provide the 49th Legislature 23 with a written report of its study, findings, and 24 conclusions and with any drafts of legislation and rules 25 that may be necessary to implement the committee's findings.

-End-

HJR 35

1 HOUSE JOINT RESOLUTION NO. 35 INTRODUCED BY JACOBSEN, HOLLIDAY, SPAETH, 2 SAUNDERS, BACHINI, ERNST, HANSON, LYBECK, 3 ROUSH, KOEHNKE, SCHULTZ, BLISS, R. JENSEN, UNDERDAL, RYAN, BENGTSON, ELLERD 5 BY REQUEST OF THE HOUSE COMMITTEE 6 ON AGRICULTURE, LIVESTOCK AND IRRIGATION 7

8

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF 9 REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN 10 INTERIM STUDY OF THE CLASSIFICATION, EVALUATION, AND 11 ASSESSMENT OF AGRICULTURAL LAND FOR TAX PURPOSES, THE LAWS 12 AND EXISTING AND PROPOSED ADMINISTRATIVE RULES RELATING 13 THERETO, AND THE EXISTING AND PROPOSED TAX COMPUTATION 14 METHODS: REQUIRING A WRITTEN REPORT OF THE STUDY TO THE 49TH 15 16 LEGISLATURE.

17

WHEREAS, the Montana Constitution requires equality 18 throughout the state in the assessed valuation of property 19 **Z**0 for tax purposes; and

WHEREAS, the Montana Code Annotated provides that 21 agricultural land is taxed at 30% of its productive 22 capacity, that agricultural lands are to be uniformly 23 classified to secure an equitable and uniform basis of 24 assessment of such lands and must be classified and 25

appraised as agricultural lands without regard to the 1 highest and best use of neighboring lands, and that the 2 Legislature intends agricultural lands to be classified and 3 assessed at a value that is exclusive of values attributed 4 5 to speculative purposes; and

#HEREAS, the Department of Revenue has drafted and 6 proposes to adopt a new set of rules for the classification, 7 8 valuation, and assessment of agricultural lands for tax purposes, which rules are substantially different than the 9 current rules, particularly with regard to irrigated 10 11 tillable land; and

WHEREAS, the Department's proposed new rules are such a 12 13 departure from the current rules that their application 14 would result in a considerable disruption of the tax status and financial situation of many of the farmers and ranchers 15 of this state; and 16

17 WHEREAS, agriculture is Montana's major industry, and 18 its products, particularly grains, are sold throughout the 19 world and have an effect on the national economy and balance 20 of payments as well as the economy of Hontana: and

21 WHEREAS, the Department's proposed new rules have 22 raised concern among many members of the agricultural community; and 23

24 HEREAS, the House Committee on Agriculture, Livestock 25 and frrigation has reviewed the statutes and current and

> HJR 35 -2-REFERENCE BILL

HJR 0035/02

proposed rules relating to the classification and assessment
 of agricultural lands for tax purposes and believes it to be
 essential that they be the subject of an interim study.

4

5 NOW, THEREFORE, BE IT RESOLVED BY THE SENATE AND THE HOUSE 6 OF REPRESENTATIVES OF THE STATE OF MONTANA:

7 That an appropriate interim committee be chosen from
 among-the-members-of-the-Senate-and--House---standing
 9 Committees--on--Agricuitures-Livestock--and--Irrigation and
 assigned to study:

(1) the provisions of the Montana Code Annotated
 relating to the classification, valuation, and assessment of
 agricultural lands for tax purposes;

14 (2) the Department of Revenue's current and proposed
15 rules for the classification, valuation, and assessment of
16 agricultural lands for tax purposes;

17 (3) the method and means by which the Department
18 arrived at its proposed rules and alternative methods and
19 means that could have been used;

20 (4) the reaction of the agricultural industry to the
21 proposed rules and the industry's views regarding the
22 proposed rules and changes in them;

23 (5) possible changes in the proposed rules that would 24 result in increased compliance of the rules with 25 constitutional and statutory mandates and the financial 1 situation of Montana farmers and ranchers;

2 (5) formulas and factors that may be used in the classification, valuation, and assessment of agricultural з lands for tax purposes; the effect on taxes and other 4 results of the use of the various formulas and factors; and 5 6 which formulas and factors are the most appropriate; (7) the opinions of farmers and ranchers, agricultural 7 8 economists, the Departments of Revenue, Agriculture, and 9 Livestock, and other experts relating to the classification, 10 valuation, and assessment of agricultural lands for tax 11 purposes;

12 (8) whether agricultural lands should be classified, 13 valued, and assessed solely in accord with statutes or in 14 accord with a combination of statutes and administrative 15 rules and which person, persons, or entity should carry out 16 the classification, valuation, and assessment; and

17 (9) any other appropriate matters relating to the
18 resolution of problems detected in studying and determining
19 the matters set forth in subsections (1) through (8).

20 BE IT FURTHER RESOLVED, that the interim committee 21 provide an outline and time frame for its study, schedule 22 meetings of the committee, and provide the 49th Legislature 23 with a written report of its study, findings, and 24 conclusions and with any drafts of legislation and rules 25 that may be necessary to implement the committee's findings. -End-

-4-

-3-

HJR 35

HJR 35