

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 concurring in. Report adopted.
April 11, 1983	Second reading, concurring in.
April 12, 1983	Third reading, concurring in. Ayes, 42; Noes, 6.

IN THE HOUSE

April 12, 1983

Returned to House.

April 13, 1983

Sent to enrolling.

Reported correctly enrolled.

HOUSE JOINT RESOLUTION NO. 35

INTRODUCED BY Raysh Koehnke Bochir Ennafi M. Hanson Sybek
 BY REQUEST OF THE HOUSE COMMITTEE
ON AGRICULTURE, LIVESTOCK AND IRRIGATION Ellard
Ryan Ferguson

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

WHEREAS, the Montana Constitution requires equality throughout the state in the assessed valuation of property for tax purposes; and

WHEREAS, the Montana Code Annotated provides that agricultural land is taxed at 30% of its productive capacity, that agricultural lands are to be uniformly classified to secure an equitable and uniform basis of 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

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

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

WHEREAS, 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

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

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

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

That an appropriate interim committee be chosen from among the members of the Senate and House standing Committees on Agriculture, 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;

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

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

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

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

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

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

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

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

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

-End-

Approved by Committee
on Agriculture Livestock
& Irrigation

HOUSE JOINT RESOLUTION NO. 35

INTRODUCED BY Royce Koehnke Barbara Hansen Spencer Saunders
BY REQUEST OF THE HOUSE COMMITTEE
ON AGRICULTURE, LIVESTOCK AND IRRIGATION Edlund
Schultz Bliss Underhill
Ryan Langston

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

WHEREAS, the Montana Constitution requires equality throughout the state in the assessed valuation of property for tax purposes; and

WHEREAS, the Montana Code Annotated provides that agricultural land is taxed at 30% of its productive capacity, that agricultural lands are to be uniformly classified to secure an equitable and uniform basis of 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

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

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

WHEREAS, 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

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

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

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

That an appropriate interim committee be chosen from
among the members of the Senate and House standing
Committees on Agriculture, 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;

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

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

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

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

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

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

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

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

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

-End-

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

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF
REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN
INTERIM STUDY OF THE CLASSIFICATION, EVALUATION, AND
ASSESSMENT OF AGRICULTURAL LAND FOR TAX PURPOSES, THE LAWS
AND EXISTING AND PROPOSED ADMINISTRATIVE RULES RELATING
THERE TO, AND THE EXISTING AND PROPOSED TAX COMPUTATION
METHODS; REQUIRING A WRITTEN REPORT OF THE STUDY TO THE 49TH
LEGISLATURE.

WHEREAS, the Montana Constitution requires equality
throughout the state in the assessed valuation of property
for tax purposes; and

WHEREAS, the Montana Code Annotated provides that
agricultural land is taxed at 30% of its productive
capacity, that agricultural lands are to be uniformly
classified to secure an equitable and uniform basis of
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

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

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

WHEREAS, 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

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

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

1 proposed rules relating to the classification and assessment
2 of agricultural lands for tax purposes and believes it to be
3 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
8 ~~among the members of the Senate and House standing~~
9 ~~committees on Agriculture, Livestock and Irrigation~~ 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

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 (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.

HOUSE JOINT RESOLUTION NO. 35

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

UNDERDAL, RYAN, BENGTSO, ELLERD

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

A JOINT RESOLUTION OF THE SENATE AND THE HOUSE OF
REPRESENTATIVES OF THE STATE OF MONTANA REQUESTING AN
INTERIM STUDY OF THE CLASSIFICATION, EVALUATION, AND
ASSESSMENT OF AGRICULTURAL LAND FOR TAX PURPOSES, THE LAWS
AND EXISTING AND PROPOSED ADMINISTRATIVE RULES RELATING
THEREIN, AND THE EXISTING AND PROPOSED TAX COMPUTATION
METHODS; REQUIRING A WRITTEN REPORT OF THE STUDY TO THE 49TH
LEGISLATURE.

WHEREAS, the Montana Constitution requires equality
throughout the state in the assessed valuation of property
for tax purposes; and

WHEREAS, the Montana Code Annotated provides that
agricultural land is taxed at 30% of its productive
capacity, that agricultural lands are to be uniformly
classified to secure an equitable and uniform basis of
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

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

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

WHEREAS, 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

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

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

1 proposed rules relating to the classification and assessment
2 of agricultural lands for tax purposes and believes it to be
3 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
8 ~~among the members of the Senate and House standing~~
9 ~~committees on Agriculture, Livestock and Irrigation~~ 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

1 situation of Montana farmers and ranchers;

2 (5) 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 (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-