

HOUSE BILL 450

Introduced by L. Nelson

2/03	Introduced
2/03	Referred to Taxation
2/03	Fiscal Note Requested
2/03	First Reading
2/06	Fiscal Note Received
2/08	Fiscal Note Printed
2/12	Hearing
2/12	Tabled in Committee

1 House BILL NO. 450
2 INTRODUCED BY [Signature]
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THAT
5 NONCONTIGUOUS PARCELS OF LAND TOTALING LESS THAN 20 ACRES
6 THAT ARE AN INTEGRAL PART OF AN AGRICULTURAL ENTERPRISE ARE
7 ELIGIBLE FOR TAXATION AS AGRICULTURAL LAND; AMENDING SECTION
8 15-7-202, MCA; AND PROVIDING AN APPLICABILITY DATE."
9

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

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

12 "15-7-202. Eligibility of land for valuation as
13 agricultural. (1) (a) Contiguous Except as provided in
14 subsection (1)(b), contiguous parcels of land totaling 20
15 acres or more under one ownership ~~shall be~~ are eligible for
16 valuation, assessment, and taxation as agricultural land
17 each year that none of the parcels is devoted to a
18 commercial or industrial use.

19 (b) Noncontiguous parcels of land totaling less than 20
20 acres are eligible for valuation, assessment, and taxation
21 as agricultural land under subsection (1)(a) if:

22 (i) the land is under the same ownership or part
23 ownership as land eligible under subsection (1)(a);

24 (ii) the land is an integral part of the agricultural
25 use of land eligible under subsection (1)(a); and

1 (iii) the land is not devoted to a commercial or
2 industrial use.

3 (2) Except as provided in subsection (8), contiguous or
4 noncontiguous parcels of land totaling less than 20 acres
5 under one ownership that are actively devoted to
6 agricultural use ~~shall be~~ are eligible for valuation,
7 assessment, and taxation as herein provided in this section
8 each year the parcels meet any of the following
9 qualifications:

10 (a) the parcels produce and the owner or the owner's
11 agent, employee, or lessee markets not less than \$1,500 in
12 annual gross income from the raising of agricultural
13 products as defined in 15-1-101; or

14 (b) the parcels would have met the qualification set
15 out in subsection (2)(a) were it not for independent
16 intervening causes of production failure beyond the control
17 of the producer or marketing delay for economic advantage,
18 in which case proof of qualification in a prior year will
19 suffice.

20 (3) Parcels that do not meet the qualifications set out
21 in subsections (1) and (2) ~~shall~~ may not be classified or
22 valued as agricultural if they are part of a platted
23 subdivision that is filed with the county clerk and recorder
24 in compliance with the Montana Subdivision and Platting Act.

25 (4) Land may not be classified or valued as

1 agricultural if it is subdivided land with stated
2 restrictions effectively prohibiting its use for
3 agricultural purposes. For the purposes of this subsection
4 only, "subdivided land" includes parcels of land larger than
5 20 acres that have been subdivided for commercial or
6 residential purposes.

7 (5) The grazing on land by a horse or other animals
8 kept as a hobby and not as a part of a bona fide
9 agricultural enterprise ~~shall~~ may not be considered a bona
10 fide agricultural operation.

11 (6) If land has been valued, assessed, and taxed as
12 agricultural land in any year, it ~~shall~~ must continue to be
13 so valued, assessed, and taxed as agricultural land until
14 the department reclassifies the property. A reclassification
15 does not mean revaluation pursuant to 15-7-111.

16 (7) For the purposes of this part, growing timber is
17 not an agricultural use.

18 (8) Subject to the provisions of subsections (2)(a) and
19 (2)(b), property upon which sod, ornamental, nursery, or
20 horticultural crops are raised, grown, or produced must
21 consist of at least 10 acres before the property is eligible
22 to be classified as agricultural land. Improvements devoted
23 to crop production described in this subsection may not be
24 included in class eleven property."

25 NEW SECTION. **Section 2. Applicability.** [This act]

1 applies to tax years beginning after December 31, 1993.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

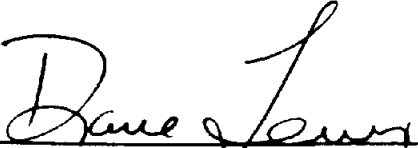
In compliance with a written request, there is hereby submitted a Fiscal Note for HB0450, as introduced.

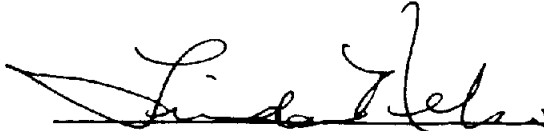
DESCRIPTION OF PROPOSED LEGISLATION:

An act clarifying that noncontiguous parcels of land totaling less than 20 acres that are an integral part of an agricultural enterprise are eligible for taxation as agricultural land; and providing an applicability date.

FISCAL IMPACT:

The proposal would not change current practice. There would be no impact to Department of Revenue expenditures or revenues.

 2-6-93
DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 2-8-93
LINDA NELSON, PRIMARY SPONSOR DATE

Fiscal Note for HB0450, as introduced

HB 450