

HOUSE BILL NO. 643
INTRODUCED BY GILBERT

IN THE HOUSE

FEBRUARY 17, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
MARCH 19, 1993	COMMITTEE RECOMMEND BILL DO PASS AS AMENDED. REPORT ADOPTED.
MARCH 22, 1993	PRINTING REPORT.
MARCH 23, 1993	ON MOTION, SPONSOR CHANGED.
MARCH 27, 1993	SECOND READING, DO PASS AS AMENDED.
MARCH 29, 1993	ENGROSSING REPORT.
MARCH 30, 1993	THIRD READING, PASSED. AYES, 56; NOES, 44.
MARCH 31, 1993	TRANSMITTED TO SENATE.

IN THE SENATE

APRIL 1, 1993	INTRODUCED AND REFERRED TO COMMITTEE ON TAXATION.
	FIRST READING.
APRIL 13, 1993	COMMITTEE RECOMMEND BILL BE CONCURRED IN AS AMENDED. REPORT ADOPTED.
	SECOND READING, CONCURRED IN AS AMENDED.
APRIL 14, 1993	THIRD READING, CONCURRED IN. AYES, 32; NOES, 17.
	RETURNED TO HOUSE WITH AMENDMENTS.

IN THE HOUSE

APRIL 15, 1993	SECOND READING, AMENDMENTS NOT CONCURRED IN.
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ON MOTION, CONFERENCE COMMITTEE
REQUESTED AND APPOINTED.

IN THE SENATE

APRIL 19, 1993

ON MOTION, CONFERENCE COMMITTEE
REQUESTED AND APPOINTED.

IN THE HOUSE

APRIL 21, 1993

ON MOTION, CONFERENCE COMMITTEE
DISSOLVED.

ON MOTION, FREE CONFERENCE COMMITTEE
REQUESTED AND APPOINTED.

IN THE SENATE

APRIL 22, 1993

ON MOTION, CONFERENCE COMMITTEE
DISSOLVED.

ON MOTION, FREE CONFERENCE COMMITTEE
REQUESTED AND APPOINTED.

IN THE HOUSE

APRIL 24, 1993

SECOND READING, FREE CONFERENCE
COMMITTEE REPORT ADOPTED.

THIRD READING, FREE CONFERENCE
COMMITTEE REPORT ADOPTED.

IN THE SENATE

APRIL 24, 1993

FREE CONFERENCE COMMITTEE REPORT ADOPTED.

IN THE HOUSE

APRIL 24, 1993

SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 House BILL NO. 643
2 INTRODUCED BY Steve Brown

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THAT LAND
5 MUST BE USED PRIMARILY FOR RAISING AGRICULTURAL PRODUCTS IN
6 ORDER TO BE CLASSIFIED AS AGRICULTURAL LAND FOR PROPERTY TAX
7 PURPOSES; AMENDING SECTION 15-7-202, MCA; AND PROVIDING A
8 DELAYED EFFECTIVE DATE AND 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) Contiguous parcels of land totaling 20
14 acres or more under one ownership ~~shall be~~ are eligible for
15 valuation, assessment, and taxation as agricultural land
16 each year that ~~none--of--the--parcels--is--devoted--to--a~~
17 ~~commercial--or--industrial--use~~ the land is used primarily for
18 raising products that meet the definition of agricultural in
19 15-1-101. For the purpose of this section, land is not
20 primarily used for raising agricultural products if the
21 agricultural use, even though it may produce more income
22 than any other use of the land, is incidental to the
23 predominant use of the land.

24 (2) Except as provided in subsection (8), contiguous or
25 noncontiguous parcels of land totaling less than 20 acres

1 under one ownership that are actively devoted to
2 agricultural use ~~shall~~ are be eligible for valuation,
3 assessment, and taxation as herein--provided agricultural
4 each year the parcels meet any of the following
5 qualifications:

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

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

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

21 (4) Land may not be classified or valued as
22 agricultural if it is subdivided land with stated
23 restrictions effectively prohibiting its use for
24 agricultural purposes. For the purposes of this subsection
25 only, "subdivided land" includes parcels of land larger than

1 20 acres that have been subdivided for commercial or
2 residential purposes.

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

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

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

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

21 NEW SECTION. **Section 2.** Effective date --
22 applicability. [This act] is effective January 1, 1994, and
23 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 HB0643, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act requiring that land must be used primarily for raising agricultural products in order to be classified as agricultural land for property tax purposes; and providing a delayed effective date and an applicability date.

ASSUMPTIONS:

1. It is estimated that there are 24,524 parcels of land currently classified as class 3 (agricultural land) that are greater than 20 but less than 160 acres. For the purpose of this note it is assumed that 50% of the parcels would be reclassified as class 4 tract land (MDOR).
2. The proposal will not impact parcels of land 20 acres or less currently classified as agricultural land.
3. It is assumed that parcels of land greater than 160 acres are predominantly used for raising agricultural products.
4. The increase in total Class 4 taxable valuation due to the reclassification of property from class 3 to class 4 is estimated to be \$38,881,367.
5. Average mill levies for the land reclassified from class three to class four property are 6.00 mills for universities, 95.00 mills for the school foundation program, 75.28 mills for counties, and 121.91 mills for local schools.
6. The Department of Revenue will develop standard criteria to measure "predominant use" of land. This is necessary for appraisal uniformity among counties.

FISCAL IMPACT:

(Revenue impacts for the reclassification of ag land to class four are based on the average taxable value per acre of ag land and of residential tract land in each county. The incremental increases in taxable value is then multiplied by the number of impacted acres in the county.)

It is estimated that reclassifying some current agricultural land as class four land (taxable rate of 3.86%) results in increased property tax revenues of \$233,000 for universities and \$3,694,000 for SFP each fiscal year beginning in FY95.

Increase in Property Tax Revenues:

	<u>FY94</u>	<u>FY95</u>
Universities	\$ 0	\$ 233,000
School Foundation	0	3,694,000
Total (02)	\$ 0	\$ 3,927,000

(Over)

David Lewis 2-22-93
DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

2/23/93
DAVE BROWN, PRIMARY SPONSOR DATE

Fiscal Note for HB0643, as introduced

HB 643

Expenditures: (Department of Revenue)

Implementation of this proposal would require additional total administrative expenses of \$111,386 FY94, and \$89,556 in FY95.

<u>Property Valuation</u>	<u>FY '94</u>			<u>FY '95</u>		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
FTE	398.66	401.66	3.00	398.66	401.66	3.00
Personal Services	\$ 11,885,655	\$ 11,977,970	\$ 92,315	\$ 11,913,545	\$ 11,997,400	\$ 83,855
Operating Expenses	2,180,406	2,199,477	19,071	2,192,109	2,197,810	5,701
Equipment	222,278	222,278	0	205,648	205,648	0
Debt Service	<u>269,800</u>	<u>269,800</u>	<u>0</u>	<u>269,800</u>	<u>269,800</u>	<u>0</u>
Total	\$ 14,558,139	\$ 14,669,525	\$ 111,386	\$ 14,581,102	\$ 14,670,658	\$ 89,556
General Fund	\$ 14,558,139	\$ 14,669,525	\$ 111,386	\$ 14,581,10	\$ 14,670,658	\$ 89,556

EFFECT ON LOCAL REVENUES:

It is estimated that reclassifying some current agricultural land as class four land (taxable rate of 3.86%) results in increased property tax revenues of \$2,927,000 for counties and \$4,740,000 for local schools each fiscal year beginning in FY95.

Increase in Property Tax Revenues:

	<u>FY94</u>	<u>FY95</u>
Counties	\$ 0	\$ 2,927,000
Local Schools	<u>0</u>	<u>4,740,000</u>
Total	\$ 0	\$ 7,667,000

APPROVED BY COMMITTEE
ON TAXATION

HOUSE BILL NO. 643
INTRODUCED BY D. BROWN

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THAT PARCELS OF LAND LESS THAN 160 ACRES MUST BE USED PRIMARILY FOR RAISING AGRICULTURAL PRODUCTS IN ORDER TO BE CLASSIFIED AS AGRICULTURAL LAND FOR PROPERTY TAX PURPOSES; TAXING PARCELS OF NONAGRICULTURAL LAND OF 20 ACRES OR MORE BUT LESS THAN 160 ACRES AT SEVEN TIMES THE RATE FOR GRAZING LAND; PROVIDING FOR APPROPRIATIONS; AMENDING SECTION SECTIONS 15-6-133, 15-6-144, 15-7-202, AND 17-7-502, MCA; AND PROVIDING A-DELAYED-EFFECTIVE-DATE EFFECTIVE DATES AND AN APPLICABILITY DATE."

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

SECTION 1. SECTION 15-6-133, MCA, IS AMENDED TO READ:

"15-6-133. Class three property -- description -- taxable percentage. (1) Class three property includes:

(a) agricultural land as defined in 15-7-202;

(b) nonproductive patented mining claims outside the limits of an incorporated city or town held by an owner for the ultimate purpose of developing the mineral interests on the property. For the purposes of this subsection (1)(b), the following provisions apply:

(i) The claim may not include any property that is used

for residential purposes, recreational purposes as described in 70-16-301, or commercial purposes as defined in 15-1-101 or any property the surface of which is being used for other than mining purposes or has a separate and independent value for such other purposes.

(ii) Improvements to the property that would not disqualify the parcel are taxed as otherwise provided in this title, including that portion of the land upon which such improvements are located and that is reasonably required for the use of the improvements.

(iii) Nonproductive patented mining claim property must be valued as if the land were devoted to agricultural grazing use.

(c) parcels of land of 20 acres or more but less than 160 acres under one ownership that are not eligible for valuation, assessment, and taxation as agricultural land under 15-7-202(2). The land may not be devoted to a commercial or industrial purpose.

(2) Class three property is taxed at the taxable percentage rate "P" of its productive capacity.

(3) Until July 1, 1986, the taxable percentage rate "P" for class three property is 30%.

(4) Prior to July 1, 1986, the department of revenue shall determine the taxable percentage rate "P" applicable to class three property for the revaluation cycle beginning

January 1, 1986, as follows:

(a) The director of the department of revenue shall certify to the governor before July 1, 1986, the percentage by which the appraised value of all property in the state classified under class three as of January 1, 1986, has increased due to the revaluation conducted under 15-7-111. This figure is the "certified statewide percentage increase".

(b) The taxable value of property in class three is determined as a function of the certified statewide percentage increase in accordance with the table shown below.

(c) This table limits the statewide increase in taxable valuation resulting from reappraisal to 0%. In calculating the percentage increase, the department may not consider agricultural use changes during calendar year 1985.

(d) The taxable percentage must be calculated by interpolation to coincide with the nearest whole number certified statewide percentage increase from the following table:

Certified Statewide Percentage Increase	Class Three Taxable Percentage "P"
0	30.00
10	27.27
20	25.00

30	23.08
40	21.43
50	20.00

(5) After July 1, 1986, no adjustment may be made by the department to the taxable percentage rate "P" until a revaluation has been made as provided in 15-7-111.

(6) The land described in subsection (1)(c) is valued at the productive capacity value of grazing land, at a production level set by the department, and the taxable value is computed by multiplying the value by seven times the taxable rate for agricultural land."

SECTION 2. SECTION 15-6-144, MCA, IS AMENDED TO READ:

"15-6-144. Class eleven property -- description -- taxable percentage. (1) Class eleven property includes all improvements on land that is eligible for valuation, assessment, and taxation as agricultural land under 15-7-202~~(2)~~(3). Class eleven property includes 1 acre of real property beneath the agricultural improvements. The 1 acre shall be valued at market value.

(2) Class eleven property is taxed at 80% of the taxable percentage applicable to class four property."

Section 3. Section 15-7-202, MCA, is amended to read:

"15-7-202. Eligibility of land for valuation as agricultural. (1) Contiguous parcels of land totaling ~~20~~ 160 acres or more under one ownership ~~shall be~~ are eligible for

valuation, assessment, and taxation as agricultural land each year that ~~none--of--the--parcels--is--devoted--to--a commercial-or-industrial-use~~ NONE OF THE PARCELS IS DEVOTED TO A COMMERCIAL OR INDUSTRIAL USE.

(2) CONTIGUOUS PARCELS OF LAND OF 20 ACRES OR MORE BUT LESS THAN 160 ACRES ARE ELIGIBLE FOR VALUATION, ASSESSMENT, AND TAXATION AS AGRICULTURAL LAND IF the land is used primarily for raising products that meet the definition of agricultural in 15-1-101. For the purpose of this section, land is not primarily used for raising agricultural products if the agricultural use, even though it may produce more income than any other use of the land, is incidental to the predominant use of the land.

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

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

(b) the parcels would have met the qualification set

out in subsection ~~(2)(a)~~ (3)(A) were it not for independent intervening causes of production failure beyond the control of the producer or marketing delay for economic advantage, in which case proof of qualification in a prior year will suffice.

~~(3)(4)~~ Parcels that do not meet the qualifications set out in subsections (1) ~~and-(2)~~ THROUGH (3) ~~shall~~ may not be classified or valued as agricultural if they are part of a platted subdivision that is filed with the county clerk and recorder in compliance with the Montana Subdivision and Platting Act.

~~(4)(5)~~ Land may not be classified or valued as agricultural if it is subdivided land with stated restrictions effectively prohibiting its use for agricultural purposes. For the purposes of this subsection only, "subdivided land" includes parcels of land larger than 20 acres that have been subdivided for commercial or residential purposes.

~~(5)(6)~~ 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~~ is not be considered a bona fide agricultural operation.

~~(6)(7)~~ If land has been valued, assessed, and taxed as agricultural land in any year, it ~~shall~~ must continue to be ~~so~~ valued, assessed, and taxed as agricultural until the

department reclassifies the property. A reclassification does not mean revaluation pursuant to 15-7-111.

~~(7)~~(8) For the purposes of this part, growing timber is not an agricultural use.

~~(8)~~(9) Subject to the provisions of subsections ~~(2)~~(a) (2), (3)(A), and ~~(2)~~(b) (3)(B), property upon which sod, ornamental, nursery, or horticultural crops are raised, grown, or produced must consist of at least 10 acres before the property is eligible to be classified as agricultural land. Improvements devoted to crop production described in this subsection may not be included in class eleven property."

SECTION 4. SECTION 17-7-502, MCA, IS AMENDED TO READ:

"17-7-502. Statutory appropriations -- definition -- requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory

appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-9-202; 2-17-105; 2-18-812; 10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111; [section 6]; 15-23-706; 15-25-123; 15-31-702; 15-36-112; 15-37-117; 15-65-121; 15-70-101; 16-1-404; 16-1-410; 16-1-411; 17-3-212; 17-5-404; 17-5-424; 17-5-704; 17-5-804; 17-6-409; 17-7-304; 19-5-404; 19-6-709; 19-8-504; 19-9-702; 19-9-1007; 19-10-205; 19-10-305; 19-10-506; 19-11-512; 19-11-513; 19-11-606; 19-12-301; 19-13-604; 19-15-101; 20-4-109; 20-6-406; 20-8-111; 20-9-361; 20-26-1503; 22-3-811; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 23-5-631; 23-7-301; 23-7-402; 27-12-206; 37-43-204; 37-51-501; 39-71-2504; 44-12-206; 44-13-102; 53-6-150; 53-24-206; 61-5-121; 67-3-205; 75-1-1101; 75-5-507; 75-5-1108; 75-11-313; 76-12-123; 77-1-808; 80-2-103; 80-11-310; 82-11-136; 82-11-161; 85-1-220; 90-3-301; 90-4-215; 90-6-331; 90-7-220; and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana. Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through

17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments. (In subsection (3): pursuant to sec. 7, Ch. 567, L. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for supplemental benefit; and pursuant to sec. 18, Ch. 748, L. 1991, the inclusion of 22-3-811 terminates June 30, 1993.)"

NEW SECTION. SECTION 5. APPROPRIATION. THERE IS APPROPRIATED TO THE DEPARTMENT OF REVENUE \$111,000 FROM THE GENERAL FUND FOR THE FISCAL YEAR ENDING JUNE 30, 1994, FOR THE ADMINISTRATION OF 15-6-133 AND 15-7-202, AS AMENDED BY [THIS ACT].

NEW SECTION. SECTION 6. STATUTORY APPROPRIATION. THERE IS STATUTORILY APPROPRIATED, AS PROVIDED IN 17-7-502, \$90,000 FROM THE GENERAL FUND EACH YEAR FOR THE ADMINISTRATION OF 15-6-133 AND 15-7-202, AS AMENDED BY [THIS ACT].

NEW SECTION. Section 7. Effective -date DATES -- applicability. ~~{This--act}~~--is (1) [SECTION 5 AND THIS SECTION] ARE effective January JULY 1, 1994, 1993.

(2) [SECTIONS 4 AND 6] ARE EFFECTIVE JULY 1, 1994.

(3) [SECTIONS 1 THROUGH 3] ARE EFFECTIVE JULY 1, 1994,

and applies APPLY to tax years beginning after December 31, 1993.

HOUSE BILL NO. 643

INTRODUCED BY GILBERT

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THAT PARCELS OF LAND LESS THAN 160 ACRES MUST BE USED PRIMARILY FOR RAISING AGRICULTURAL PRODUCTS IN ORDER TO BE CLASSIFIED AS AGRICULTURAL LAND FOR PROPERTY TAX PURPOSES; TAKING PARCELS OF NONAGRICULTURAL LAND OF 20 ACRES OR MORE BUT LESS THAN 160 ACRES AT SEVEN TIMES THE RATE FOR GRAZING LAND; PROVIDING FOR APPROPRIATIONS AN APPROPRIATION; AMENDING SECTION SECTIONS 15-6-133, 15-6-144, AND 15-7-202, AND 17-7-502, MCA; AND PROVIDING A--DELETED--EFFECTIVE--DATE EFFECTIVE DATES AND AN APPLICABILITY DATE."

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

SECTION 1. SECTION 15-6-133, MCA, IS AMENDED TO READ:

"15-6-133. Class three property -- description -- taxable percentage. (1) Class three property includes:

(a) agricultural land as defined in 15-7-202;

(b) nonproductive patented mining claims outside the limits of an incorporated city or town held by an owner for the ultimate purpose of developing the mineral interests on the property. For the purposes of this subsection (1)(b), the following provisions apply:

(i) The claim may not include any property that is used

for residential purposes, recreational purposes as described in 70-16-301, or commercial purposes as defined in 15-1-101 or any property the surface of which is being used for other than mining purposes or has a separate and independent value for such other purposes.

(ii) Improvements to the property that would not disqualify the parcel are taxed as otherwise provided in this title, including that portion of the land upon which such improvements are located and that is reasonably required for the use of the improvements.

(iii) Nonproductive patented mining claim property must be valued as if the land were devoted to agricultural grazing use.

(c) parcels of land of 20 acres or more but less than 160 acres under one ownership that are not eligible for valuation, assessment, and taxation as agricultural land under 15-7-202(2). The land may not be devoted to a commercial or industrial purpose.

(2) Class three property is taxed at the taxable percentage rate "P" of its productive capacity.

(3) Until July 1, 1986, the taxable percentage rate "P" for class three property is 30%.

(4) Prior to July 1, 1986, the department of revenue shall determine the taxable percentage rate "P" applicable to class three property for the revaluation cycle beginning

January 1, 1986, as follows:

(a) The director of the department of revenue shall certify to the governor before July 1, 1986, the percentage by which the appraised value of all property in the state classified under class three as of January 1, 1986, has increased due to the revaluation conducted under 15-7-111. This figure is the "certified statewide percentage increase".

(b) The taxable value of property in class three is determined as a function of the certified statewide percentage increase in accordance with the table shown below.

(c) This table limits the statewide increase in taxable valuation resulting from reappraisal to 0%. In calculating the percentage increase, the department may not consider agricultural use changes during calendar year 1985.

(d) The taxable percentage must be calculated by interpolation to coincide with the nearest whole number certified statewide percentage increase from the following table:

Certified Statewide Percentage Increase	Class Three Taxable Percentage "P"
0	30.00
10	27.27
20	25.00

30	23.08
40	21.43
50	20.00

(5) After July 1, 1986, no adjustment may be made by the department to the taxable percentage rate "P" until a revaluation has been made as provided in 15-7-111.

(6) The land described in subsection (1)(c) is valued at the productive capacity value of grazing land, at a production level set by the department, and the taxable value is computed by multiplying the value by seven times the taxable rate for agricultural land."

SECTION 2. SECTION 15-6-144, MCA, IS AMENDED TO READ:

"15-6-144. Class eleven property -- description -- taxable percentage. (1) Class eleven property includes all improvements on land that is eligible for valuation, assessment, and taxation as agricultural land under 15-7-202+2+(3). Class eleven property includes 1 acre of real property beneath the agricultural improvements. The 1 acre shall be valued at market value.

(2) Class eleven property is taxed at 80% of the taxable percentage applicable to class four property."

Section 3. Section 15-7-202, MCA, is amended to read:

"15-7-202. Eligibility of land for valuation as agricultural. (1) Contiguous parcels of land totaling 20 160 acres or more under one ownership shall be are eligible for

valuation, assessment, and taxation as agricultural land each year that ~~none--of--the--parcels--is--devoted--to--a commercial-or-industrial-use~~ NONE OF THE PARCELS IS DEVOTED TO A COMMERCIAL OR INDUSTRIAL USE.

(2) CONTIGUOUS PARCELS OF LAND OF 20 ACRES OR MORE BUT LESS THAN 160 ACRES ARE ELIGIBLE FOR VALUATION, ASSESSMENT, AND TAXATION AS AGRICULTURAL LAND IF the land is used primarily for raising products that meet the definition of agricultural in 15-1-101. For the purpose of this section, land is not primarily used for raising agricultural products if the agricultural use, even though it may produce more income than any other use of the land, is incidental to the predominant use of the land.

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

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

(b) the parcels would have met the qualification set

out in subsection ~~{2}{a}~~ (3)(A) were it not for independent intervening causes of production failure beyond the control of the producer or marketing delay for economic advantage, in which case proof of qualification in a prior year will suffice.

~~{3}{4}~~ (4) Parcels that do not meet the qualifications set out in subsections (1) and ~~{2}~~ THROUGH (3) ~~shall~~ may not be classified or valued as agricultural if they are part of a platted subdivision that is filed with the county clerk and recorder in compliance with the Montana Subdivision and Platting Act.

~~{4}{5}~~ (5) Land may not be classified or valued as agricultural if it is subdivided land with stated restrictions effectively prohibiting its use for agricultural purposes. For the purposes of this subsection only, "subdivided land" includes parcels of land larger than 20 acres that have been subdivided for commercial or residential purposes.

~~{5}{6}~~ (6) 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~~ is not be considered a bona fide agricultural operation.

~~{6}{7}~~ (7) If land has been valued, assessed, and taxed as agricultural land in any year, it ~~shall~~ must continue to be so valued, assessed, and taxed as agricultural until the

department reclassifies the property. A reclassification does not mean revaluation pursuant to 15-7-111.

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

(8)(9) Subject to the provisions of subsections (2)(a) (2), (3)(A), and (2)(b) (3)(B), property upon which sod, ornamental, nursery, or horticultural crops are raised, grown, or produced must consist of at least 10 acres before the property is eligible to be classified as agricultural land. Improvements devoted to crop production described in this subsection may not be included in class eleven property."

SECTION 4. SECTION 17-7-502, MCA, IS AMENDED TO READ:

"17-7-502. Statutory appropriations-----definition-----
requisites for validity. (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) The law containing the statutory authority must be listed in subsection (3).

(b) The law or portion of the law making a statutory appropriation must specifically state that a statutory

appropriation is made as provided in this section.

(3) The following laws are the only laws containing statutory appropriations: 2-9-202, 2-17-105, 2-18-012, 10-3-203, 10-3-312, 10-3-314, 10-4-301, 13-37-304, 15-1-111, (section 6), 15-23-706, 15-25-123, 15-31-702, 15-36-112, 15-37-117, 15-65-121, 15-70-101, 16-1-404, 16-1-410, 16-1-411, 17-3-212, 17-5-404, 17-5-424, 17-5-704, 17-5-804, 17-6-409, 17-7-304, 19-5-404, 19-6-709, 19-8-504, 19-9-702, 19-9-1007, 19-10-205, 19-10-305, 19-10-506, 19-11-512, 19-11-513, 19-11-606, 19-12-301, 19-13-604, 19-15-101, 20-4-109, 20-6-406, 20-8-111, 20-9-361, 20-26-1503, 22-3-011, 23-5-136, 23-5-306, 23-5-409, 23-5-610, 23-5-612, 23-5-631, 23-7-301, 23-7-402, 27-12-206, 37-43-204, 37-51-501, 39-71-2504, 44-12-206, 44-13-102, 53-6-150, 53-24-206, 61-5-121, 67-3-205, 75-1-1101, 75-5-507, 75-5-1100, 75-11-313, 76-12-123, 77-1-000, 80-2-103, 80-11-310, 82-11-136, 82-11-161, 85-1-220, 90-3-301, 90-4-215, 90-6-331, 90-7-220, and 90-9-306.

(4) There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations as due, that have been authorized and issued pursuant to the laws of Montana, Agencies that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through

17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments, (In subsection (3): pursuant to sec. 7, Ch. 567, b. 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for supplemental benefit, and pursuant to sec. 10, Ch. 740, b. 1991, the inclusion of 22-3-011 terminates June 30, 1993.)⁴

NEW SECTION. **SECTION 4. APPROPRIATION.** THERE IS APPROPRIATED TO THE DEPARTMENT OF REVENUE \$111,000 FROM THE GENERAL FUND FOR THE FISCAL YEAR ENDING JUNE 30, 1994, FOR THE ADMINISTRATION OF 15-6-133 AND 15-7-202, AS AMENDED BY [THIS ACT].

~~NEW SECTION. **SECTION 6. STATUTORY APPROPRIATION.** THERE IS STATUTORILY APPROPRIATED, AS PROVIDED IN 17-7-502, \$90,000 FROM THE GENERAL FUND EACH YEAR FOR THE ADMINISTRATION OF 15-6-133 AND 15-7-202, AS AMENDED BY THIS ACT.~~

NEW SECTION. **Section 5.** Effective ~~date~~ DATES applicability. ~~{This act} is~~ (1) [SECTION 5 4 AND THIS SECTION] ARE effective January JULY 1, 1994, 1993.

~~{2}--{SECTIONS 4 AND 6} ARE EFFECTIVE JULY 1, 1994.~~

~~{3}{2}~~ [SECTIONS 1 THROUGH 3] ARE EFFECTIVE JULY JANUARY 1, 1994, and applies APPLY to tax years beginning after December 31, 1993.

-End-

SENATE STANDING COMMITTEE REPORT

Page 1 of 2
April 12, 1993

Page 2 of 2
April 12, 1993

MR. PRESIDENT:

We, your committee on Taxation having had under consideration House Bill No. 643 (third reading copy -- blue), respectfully report that House Bill No. 643 be amended as follows and as so amended be concurred in.



Signed: 
Senator Mike Halligan, Chair

That such amendments read:

1. Title, line 5.
Strike: "LESS THAN 160 ACRES"
Insert: "OF 20 ACRES OR MORE"
2. Title, lines 8 and 9.
Strike: "BUT" on line 8 through "ACRES" on line 9
3. Page 2, lines 14 and 15.
Strike: "but" on line 14 through "acres" on line 15
4. Page 2, line 17.
Strike: "(2)"
Insert: "(1)"
5. Page 4, line 17.
Strike: "(3)"
Insert: "(2)"
6. Page 4, line 24.
Strike: "160"
Insert: "20"
7. Page 5, lines 4 through 7.
Strike: "." on line 4 through "IF" on line 7
Insert: "and that"
Renumber: subsequent subsections
8. Page 5, lines 9 through 13.
Strike: "For" on line 9 through "land." on line 13
9. Page 5, line 14.
Strike: "(9)"
Insert: "(8)"
10. Page 6, line 1.
Strike: "(3)(A)"
Insert: "(2)(a)"

11. Page 6, line 7.
Strike: "THROUGH (3)"
Insert: "and (2)"
12. Page 7, line 6.
Strike: "(2), (3)(A)"
Insert: "(1), (2)(a)"
Strike: "(3)(B)"
Insert: "(2)(b)"

-END-

 Amd. Coord.
 Sec. of Senate

Grosfield
Senator Carrying Bill

801832SC.Sma

SENATE

HB 643
801832SC.Sma

SENATE COMMITTEE OF THE WHOLE AMENDMENT

April 13, 1993 2:34 pm

April 13, 1993

Page 2 of 2

Mr. Chairman: I move to amend House Bill no. 643 (third reading copy -- blue).

ADOPT

REJECT

Signed: 

Senator Lorents Grossfield

That such amendments read:

1. Title, line 7.

Following: "PURPOSES;"

Insert: "REQUIRING THAT LAND PRODUCE A CERTAIN AMOUNT OF GROSS INCOME PER ACRE IN ORDER TO BE ELIGIBLE FOR TAXATION AS AGRICULTURAL LAND;"

2. Page 4, line 24.

Following: "(1)"

Insert: "(a)"

3. Page 5, line 8.

Following: "raising"

Insert: "and marketing, as defined in subsection (1)(d),"

4. Page 5, line 9.

Following: "15-1-101"

Insert: "and each year that the parcels meet one of the following qualifications:

(i) the parcels produce and the owner or the owner's agent, employee, or lessee markets from the raising of agricultural products:

(A) at least \$10 in gross income per acre per year on parcels of land totaling at least 20 acres but not more than 40 acres;

(B) at least \$5 in gross income per acre per year on the next 120 acres in excess of 40 acres; and

(C) at least \$2 in gross income per acre per year for each acre in excess of 160 acres; or

(ii) the parcels would have met the qualifications set out in subsection (1)(a)(i) if it were not for independent intervening causes of production failure beyond the control of the producer or for marketing delay for economic advantage, or for adverse market conditions that limit the ability of the parcels to meet the requirements for gross income per acre under this subsection (1), in which case proof of qualification in a prior year will suffice; or

(iii) the agricultural production on the parcels is done under a crop or grazing rotation program and the amount required under subsection (1)(a)(i) is produced over the number of years in the crop cycle.

(b) The requirements for gross income per acre under subsection (1)(a) may include land rental payments made under the federal conservation reserve program or a successor to that program.

(c) Notwithstanding the requirements for gross income per acre under subsection (1)(a), noncontiguous parcels of land are eligible for valuation, assessment, and taxation as agricultural land under subsection (1)(a) if:

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

(ii) the land is not devoted to a residential, commercial, or industrial use.

(d) For the purposes of this subsection (1), "marketing" means the selling of agricultural products produced on the land and includes but is not limited to cash rental or lease of the land as long as the land is actively used for grazing livestock or for other agricultural purposes"

-END-

HOUSE BILL NO. 643

INTRODUCED BY GILBERT

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THAT PARCELS OF LAND LESS-THAN-160-ACRES OF 20 ACRES OR MORE MUST BE USED PRIMARILY FOR RAISING AGRICULTURAL PRODUCTS IN ORDER TO BE CLASSIFIED AS AGRICULTURAL LAND FOR PROPERTY TAX PURPOSES; REQUIRING THAT LAND PRODUCE A CERTAIN AMOUNT OF GROSS INCOME PER ACRE IN ORDER TO BE ELIGIBLE FOR TAXATION AS AGRICULTURAL LAND; TAXING PARCELS OF NONAGRICULTURAL LAND OF 20 ACRES OR MORE BUT-LESS-THAN-160-ACRES AT SEVEN TIMES THE RATE FOR GRAZING LAND; PROVIDING FOR APPROPRIATIONS AN APPROPRIATION; AMENDING SECTION SECTIONS 15-6-133, 15-6-144, AND 15-7-202, AND-17-7-502, MCA; AND PROVIDING A--DELAYED EFFECTIVE-DATE EFFECTIVE DATES AND AN APPLICABILITY DATE."

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

SECTION 1. SECTION 15-6-133, MCA, IS AMENDED TO READ:

"15-6-133. Class three property -- description -- taxable percentage. (1) Class three property includes:

(a) agricultural land as defined in 15-7-202;

(b) nonproductive patented mining claims outside the limits of an incorporated city or town held by an owner for the ultimate purpose of developing the mineral interests on the property. For the purposes of this subsection (1)(b),

the following provisions apply:

(i) The claim may not include any property that is used for residential purposes, recreational purposes as described in 70-16-301, or commercial purposes as defined in 15-1-101 or any property the surface of which is being used for other than mining purposes or has a separate and independent value for such other purposes.

(ii) Improvements to the property that would not disqualify the parcel are taxed as otherwise provided in this title, including that portion of the land upon which such improvements are located and that is reasonably required for the use of the improvements.

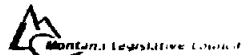
(iii) Nonproductive patented mining claim property must be valued as if the land were devoted to agricultural grazing use.

(c) parcels of land of 20 acres or more but-less-than 160-acres under one ownership that are not eligible for valuation, assessment, and taxation as agricultural land under 15-7-202+2(1). The land may not be devoted to a commercial or industrial purpose.

(2) Class three property is taxed at the taxable percentage rate "P" of its productive capacity.

(3) Until July 1, 1986, the taxable percentage rate "P" for class three property is 30%.

(4) Prior to July 1, 1986, the department of revenue



shall determine the taxable percentage rate "P" applicable to class three property for the revaluation cycle beginning January 1, 1986, as follows:

(a) The director of the department of revenue shall certify to the governor before July 1, 1986, the percentage by which the appraised value of all property in the state classified under class three as of January 1, 1986, has increased due to the revaluation conducted under 15-7-111. This figure is the "certified statewide percentage increase".

(b) The taxable value of property in class three is determined as a function of the certified statewide percentage increase in accordance with the table shown below.

(c) This table limits the statewide increase in taxable valuation resulting from reappraisal to 0%. In calculating the percentage increase, the department may not consider agricultural use changes during calendar year 1985.

(d) The taxable percentage must be calculated by interpolation to coincide with the nearest whole number certified statewide percentage increase from the following table:

Certified Statewide Percentage Increase	Class Three Taxable Percentage "P"
0	30.00

10	27.27
20	25.00
30	23.08
40	21.43
50	20.00

(5) After July 1, 1986, no adjustment may be made by the department to the taxable percentage rate "P" until a revaluation has been made as provided in 15-7-111.

(6) The land described in subsection (1)(c) is valued at the productive capacity value of grazing land, at a production level set by the department, and the taxable value is computed by multiplying the value by seven times the taxable rate for agricultural land."

SECTION 2. SECTION 15-6-144, MCA, IS AMENDED TO READ:

"15-6-144. Class eleven property -- description -- taxable percentage. (1) Class eleven property includes all improvements on land that is eligible for valuation, assessment, and taxation as agricultural land under 15-7-202~~(2)~~⁽³⁾(2). Class eleven property includes 1 acre of real property beneath the agricultural improvements. The 1 acre shall be valued at market value.

(2) Class eleven property is taxed at 80% of the taxable percentage applicable to class four property."

Section 3. Section 15-7-202, MCA, is amended to read:

"15-7-202. Eligibility of land for valuation as

1 agricultural. (1) (A) Contiguous parcels of land totaling 20
 2 ~~160~~ 20 acres or more under one ownership ~~shall be~~ are
 3 eligible for valuation, assessment, and taxation as
 4 agricultural land each year that ~~none of the parcels is~~
 5 ~~devoted to a commercial or industrial use~~ NONE OF THE
 6 PARCELS IS DEVOTED TO A COMMERCIAL OR INDUSTRIAL USE;

7 ~~(2) CONTIGUOUS PARCELS OF LAND OF 20 ACRES OR MORE BUT~~
 8 ~~LESS THAN 160 ACRES ARE ELIGIBLE FOR VALUATION, ASSESSMENT,~~
 9 ~~AND TAXATION AS AGRICULTURAL LAND IF~~ AND THAT the land is
 10 used primarily for raising AND MARKETING, AS DEFINED IN
 11 SUBSECTION (1)(D), products that meet the definition of
 12 agricultural in 15-1-101 AND EACH YEAR THAT THE PARCELS MEET
 13 ONE OF THE FOLLOWING QUALIFICATIONS:

14 (I) THE PARCELS PRODUCE AND THE OWNER OR THE OWNER'S
 15 AGENT, EMPLOYEE, OR LESSEE MARKETS FROM THE RAISING OF
 16 AGRICULTURAL PRODUCTS:

17 (A) AT LEAST \$10 IN GROSS INCOME PER ACRE PER YEAR ON
 18 PARCELS OF LAND TOTALING AT LEAST 20 ACRES BUT NOT MORE THAN
 19 40 ACRES;

20 (B) AT LEAST \$5 IN GROSS INCOME PER ACRE PER YEAR ON
 21 THE NEXT 120 ACRES IN EXCESS OF 40 ACRES; AND

22 (C) AT LEAST \$2 IN GROSS INCOME PER ACRE PER YEAR FOR
 23 EACH ACRE IN EXCESS OF 160 ACRES; OR

24 (II) THE PARCELS WOULD HAVE MET THE QUALIFICATIONS SET
 25 OUT IN SUBSECTION (1)(A)(I) IF IT WERE NOT FOR INDEPENDENT

1 INTERVENING CAUSES OF PRODUCTION FAILURE BEYOND THE CONTROL
 2 OF THE PRODUCER OR FOR MARKETING DELAY FOR ECONOMIC
 3 ADVANTAGE, OR FOR ADVERSE MARKET CONDITIONS THAT LIMIT THE
 4 ABILITY OF THE PARCELS TO MEET THE REQUIREMENTS FOR GROSS
 5 INCOME PER ACRE UNDER THIS SUBSECTION (1), IN WHICH CASE
 6 PROOF OF QUALIFICATION IN A PRIOR YEAR WILL SUFFICE; OR

7 (III) THE AGRICULTURAL PRODUCTION ON THE PARCELS IS DONE
 8 UNDER A CROP OR GRAZING ROTATION PROGRAM AND THE AMOUNT
 9 REQUIRED UNDER SUBSECTION (1)(A)(I) IS PRODUCED OVER THE
 10 NUMBER OF YEARS IN THE CROP CYCLE.

11 (B) THE REQUIREMENTS FOR GROSS INCOME PER ACRE UNDER
 12 SUBSECTION (1)(A) MAY INCLUDE LAND RENTAL PAYMENTS MADE
 13 UNDER THE FEDERAL CONSERVATION RESERVE PROGRAM OR A
 14 SUCCESSOR TO THAT PROGRAM.

15 (C) NOTWITHSTANDING THE REQUIREMENTS FOR GROSS INCOME
 16 PER ACRE UNDER SUBSECTION (1)(A), NONCONTIGUOUS PARCELS OF
 17 LAND ARE ELIGIBLE FOR VALUATION, ASSESSMENT, AND TAXATION AS
 18 AGRICULTURAL LAND UNDER SUBSECTION (1)(A) IF:

19 (I) THE LAND IS AN INTEGRAL PART OF THE AGRICULTURAL
 20 USE OF LAND ELIGIBLE UNDER SUBSECTION (1)(A); AND

21 (II) THE LAND IS NOT DEVOTED TO A RESIDENTIAL,
 22 COMMERCIAL, OR INDUSTRIAL USE.

23 (D) FOR THE PURPOSES OF THIS SUBSECTION (1),
 24 "MARKETING" MEANS THE SELLING OF AGRICULTURAL PRODUCTS
 25 PRODUCED ON THE LAND AND INCLUDES BUT IS NOT LIMITED TO CASH

RENTAL OR LEASE OF THE LAND AS LONG AS THE LAND IS ACTIVELY USED FOR GRAZING LIVESTOCK OR FOR OTHER AGRICULTURAL PURPOSES. For the purpose of this section, land is not primarily used for raising agricultural products if the agricultural use, even though it may produce more income than any other use of the land, is incidental to the predominant use of the land.

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

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

(b) the parcels would have met the qualification set out in subsection ~~(2)(a)~~ ~~(3)(A)~~ (2)(A) were it not for independent intervening causes of production failure beyond the control of the producer or marketing delay for economic advantage, in which case proof of qualification in a prior year will suffice.

~~(3)(4)(3)~~ Parcels that do not meet the qualifications

set out in subsections (1) ~~and (2)~~ ~~THROUGH (3)~~ AND (2) ~~shall~~ may not be classified or valued as agricultural if they are part of a platted subdivision that is filed with the county clerk and recorder in compliance with the Montana Subdivision and Platting Act.

~~(4)(5)(4)~~ Land may not be classified or valued as agricultural if it is subdivided land with stated restrictions effectively prohibiting its use for agricultural purposes. For the purposes of this subsection only, "subdivided land" includes parcels of land larger than 20 acres that have been subdivided for commercial or residential purposes.

~~(5)(6)(5)~~ 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~~ is not be considered a bona fide agricultural operation.

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

~~(7)(8)(7)~~ For the purposes of this part, growing timber is not an agricultural use.

~~(8)(9)(8)~~ Subject to the provisions of subsections ~~(2)(a)~~ ~~(2)(b)~~ ~~(3)(A)~~ (1), (2)(A), and ~~(2)(b)~~ ~~(3)(B)~~ (2)(B),

property upon which sod, ornamental, nursery, or horticultural crops are raised, grown, or produced must consist of at least 10 acres before the property is eligible to be classified as agricultural land. Improvements devoted to crop production described in this subsection may not be included in class eleven property."

SECTION 4. -- SECTION 17-7-502, MCA, IS AMENDED TO READ:

"17-7-502. -- Statutory appropriations ----- definition ----- requisites for validity. -- (1) A statutory appropriation is an appropriation made by permanent law that authorizes spending by a state agency without the need for a biennial legislative appropriation or budget amendment.

(2) -- Except as provided in subsection (4), to be effective, a statutory appropriation must comply with both of the following provisions:

(a) -- The law containing the statutory authority must be listed in subsection (3).

(b) -- The law or portion of the law making a statutory appropriation must specifically state that a statutory appropriation is made as provided in this section.

(3) -- The following laws are the only laws containing statutory appropriations: -- 2-9-202, -- 2-17-105, -- 2-18-012, -- 10-3-203, -- 10-3-312, -- 10-3-314, -- 10-4-301, -- 13-37-304, -- 15-1-111, section 6, -- 15-23-706, -- 15-25-123, -- 15-31-702, -- 15-36-112, -- 15-37-117, -- 15-65-121, -- 15-70-101, -- 16-1-404, -- 16-1-410,

16-1-411, -- 17-3-212, -- 17-5-404, -- 17-5-424, -- 17-5-704, -- 17-5-804, -- 17-6-409, -- 17-7-304, -- 19-5-404, -- 19-6-709, -- 19-8-504, -- 19-9-702, -- 19-9-1007, -- 19-10-205, -- 19-10-305, -- 19-10-506, -- 19-11-512, -- 19-11-513, -- 19-11-606, -- 19-12-301, -- 19-13-604, -- 19-15-101, -- 20-4-109, -- 20-6-406, -- 20-8-111, -- 20-9-361, -- 20-26-150, -- 22-3-811, -- 23-5-136, -- 23-5-306, -- 23-5-409, -- 23-5-610, -- 23-5-612, -- 23-5-631, -- 23-7-301, -- 23-7-402, -- 27-12-206, -- 37-43-204, -- 37-51-501, -- 39-71-2504, -- 44-12-206, -- 44-13-102, -- 53-6-150, -- 53-24-206, -- 61-5-121, -- 67-3-205, -- 75-1-1101, -- 75-5-507, -- 75-5-1108, -- 75-11-313, -- 76-12-123, -- 77-1-808, -- 80-2-103, -- 80-11-310, -- 82-11-136, -- 82-11-161, -- 85-1-220, -- 90-3-301, -- 90-4-215, -- 90-6-331, -- 90-7-220, and -- 90-9-306.

(4) -- There is a statutory appropriation to pay the principal, interest, premiums, and costs of issuing, paying, and securing all bonds, notes, or other obligations, as due, that have been authorized and issued pursuant to the laws of Montana -- Agencies -- that have entered into agreements authorized by the laws of Montana to pay the state treasurer, for deposit in accordance with 17-2-101 through 17-2-107, as determined by the state treasurer, an amount sufficient to pay the principal and interest as due on the bonds or notes have statutory appropriation authority for the payments -- (in subsection (3)) pursuant to sec. 7, Ch. 567, by 1991, the inclusion of 19-6-709 terminates upon death of last recipient eligible for supplemental benefit;

and pursuant to sec-107-Ch-7487-b-1991, the inclusion of
22-3-811 terminates June 30, 1993."

NEW SECTION. **SECTION 4.** APPROPRIATION. THERE IS
APPROPRIATED TO THE DEPARTMENT OF REVENUE \$111,000 FROM THE
GENERAL FUND FOR THE FISCAL YEAR ENDING JUNE 30, 1994, FOR
THE ADMINISTRATION OF 15-6-133 AND 15-7-202, AS AMENDED BY
[THIS ACT].

~~NEW SECTION. SECTION 6. STATUTORY APPROPRIATION. THERE~~
~~IS STATUTORILY APPROPRIATED, AS PROVIDED IN 17-7-502,~~
~~998,000 FROM THE GENERAL FUND EACH YEAR FOR THE~~
~~ADMINISTRATION OF 15-6-133 AND 15-7-202, AS AMENDED BY THIS~~
~~ACT.~~

NEW SECTION. **Section 5.** Effective "date DATES --
applicability. {this act} is (1) [SECTION 5 4 AND THIS
SECTION] ARE effective January JULY 1, 1994, 1993.

{2}--{SECTIONS 4 AND 6} ARE EFFECTIVE JUNE 1, 1994.
{3}(2) [SECTIONS 1 THROUGH 3] ARE EFFECTIVE JUNE
JANUARY 1, 1994, and applies APPLY to tax years beginning
after December 31, 1993.

-End-

Page 1 of 3

Mr. Speaker and Mr. President:

We, your Free Conference Committee met and considered House Bill 643 and recommend as follows:

1. Title, lines 5 and 11.

Following: "MORE"

Insert: "BUT LESS THAN 160 ACRES"

2. Title, line 6.

Following: "RAISING"

Insert: "AND MARKETING"

3. Title, lines 8 through 10.

Strike: "REQUIRING" on line 8 through "i" on line 10

4. Page 2, line 17.

Following: "acres"

Insert: "but less than 160 acres"

5. Page 5, line 2.

Strike: "20"

Insert: "160"

6. Page 5, line 6.

Following: "TO A"

Insert: "residential,"

Following: "COMMERCIAL"

Insert: ","

Following: "i"

Insert: "."

7. Page 5, line 9.

Strike: "AND THAT"

Insert: "(b)(i) Contiguous parcels of land of 20 acres or more but less than 160 acres under one ownership are eligible for valuation, assessment, and taxation as agricultural land if"

8. Page 5, line 12 through page 6 line 22.

Strike: "AND" on page 5, line 12 through "USE" on page 6, line 22

Following: "i"

Insert: "A parcel of land is presumed to be used primarily for raising agricultural products if the owner or the owner's immediate family members, agent, employee, or lessee markets not less than \$1,500 in annual gross income from the raising of agricultural products produced by the land. The owner of

land that is not presumed to be agricultural land shall verify to the department that the land is used primarily for raising and marketing agricultural products.

(ii) Noncontiguous parcels of land that meet the income requirement of subsection (1)(b)(i) are eligible for valuation, assessment, and taxation as agricultural land under subsection (1)(b)(i) if:

(A) the land is an integral part of a bona fide agricultural operation undertaken by the persons set forth in subsection (1)(b)(i) as defined in this section; and

(B) the land is not devoted to a residential, commercial, or industrial use."

Renumber: subsequent subsection

9. Page 6, line 25.

Strike: "ON"

Insert: "by"

Following: "TO"

Insert: "i"

Strike: "CASH"

10. Page 7, line 3.

Following: "PURPOSES"

Insert: "; and"

(ii) rental payments made under the federal conservation reserve program or a successor to that program"

11. Page 8, line 17.

Following: "(6)"

Insert: "The department may not classify land less than 160 acres as agricultural unless the owner has applied to have land classified as agricultural land. Land of 20 acres or more but less than 160 acres for which no application for agricultural classification has been made is taxed as provided in 15-6-133(1)(c)."

12. Page 11, line 3.

Following: "APPROPRIATION."

Insert: "(1) There is appropriated to the department of revenue \$90,000 from the general fund for the fiscal year ending June 30, 1995, for the administration of 15-6-133 and 15-7-202, as amended by [this act].

(2)"

ADOPT

REJECT

891343CC.Hpf

F.C.C.R.#1
HB 643
891343CC.Hpf

April 22, 1993
Page 3 of 3

Further, that this Free Conference Committee report be adopted.

For the House:

For the Senate:

Rep. Foster, Chair

Sen. Doherty, Chair

Rep. Gilbert

Sen. Eck

Rep. Swanson

Sen. Grosfield

HOUSE BILL NO. 643

INTRODUCED BY GILBERT

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THAT PARCELS OF LAND LESS--THAN--160-ACRES OF 20 ACRES OR MORE BUT LESS THAN 160 ACRES MUST BE USED PRIMARILY FOR RAISING AND MARKETING AGRICULTURAL PRODUCTS IN ORDER TO BE CLASSIFIED AS AGRICULTURAL LAND FOR PROPERTY TAX PURPOSES; REQUIRING-THAT LAND-PRODUCE-A-CERTAIN-AMOUNT-OF-GROSS-INCOME--PER--ACRE--IN ORDER--TO--BE--ELIGIBLE--FOR--TAXATION-AS-AGRICULTURAL-LAND; TAXING PARCELS OF NONAGRICULTURAL LAND OF 20 ACRES OR MORE BUT LESS THAN 160 ACRES BUT-LESS-THAN-160-ACRES AT SEVEN TIMES THE RATE FOR GRAZING LAND; PROVIDING FOR APPROPRIATIONS AN APPROPRIATION; AMENDING SECTION SECTIONS 15-6-133, 15-6-144, AND 15-7-202, AND-17-7-502, MCA; AND PROVIDING A-DELAYED-EFFECTIVE-DATE EFFECTIVE DATES AND AN APPLICABILITY DATE."

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

SECTION 1. SECTION 15-6-133, MCA, IS AMENDED TO READ:

"15-6-133. Class three property -- description -- taxable percentage. (1) Class three property includes:

(a) agricultural land as defined in 15-7-202;

(b) nonproductive patented mining claims outside the limits of an incorporated city or town held by an owner for

the ultimate purpose of developing the mineral interests on the property. For the purposes of this subsection (1)(b), the following provisions apply:

(i) The claim may not include any property that is used for residential purposes, recreational purposes as described in 70-16-301, or commercial purposes as defined in 15-1-101 or any property the surface of which is being used for other than mining purposes or has a separate and independent value for such other purposes.

(ii) Improvements to the property that would not disqualify the parcel are taxed as otherwise provided in this title, including that portion of the land upon which such improvements are located and that is reasonably required for the use of the improvements.

(iii) Nonproductive patented mining claim property must be valued as if the land were devoted to agricultural grazing use.

(c) parcels of land of 20 acres or more but-less-than 160-acres BUT LESS THAN 160 ACRES under one ownership that are not eligible for valuation, assessment, and taxation as agricultural land under 15-7-202+2(1). The land may not be devoted to a commercial or industrial purpose.

(2) Class three property is taxed at the taxable percentage rate "P" of its productive capacity.

(3) Until July 1, 1986, the taxable percentage rate "P"

1 for class three property is 30%.

2 (4) Prior to July 1, 1986, the department of revenue
3 shall determine the taxable percentage rate "P" applicable
4 to class three property for the revaluation cycle beginning
5 January 1, 1986, as follows:

6 (a) The director of the department of revenue shall
7 certify to the governor before July 1, 1986, the percentage
8 by which the appraised value of all property in the state
9 classified under class three as of January 1, 1986, has
10 increased due to the revaluation conducted under 15-7-111.
11 This figure is the "certified statewide percentage
12 increase".

13 (b) The taxable value of property in class three is
14 determined as a function of the certified statewide
15 percentage increase in accordance with the table shown
16 below.

17 (c) This table limits the statewide increase in taxable
18 valuation resulting from reappraisal to 0%. In calculating
19 the percentage increase, the department may not consider
20 agricultural use changes during calendar year 1985.

21 (d) The taxable percentage must be calculated by
22 interpolation to coincide with the nearest whole number
23 certified statewide percentage increase from the following
24 table:

25 Certified Statewide Class Three Taxable

Percentage Increase	Percentage "P"
0	30.00
10	27.27
20	25.00
30	23.08
40	21.43
50	20.00

8 (5) After July 1, 1986, no adjustment may be made by
9 the department to the taxable percentage rate "P" until a
10 revaluation has been made as provided in 15-7-111.

11 (6) The land described in subsection (1)(c) is valued
12 at the productive capacity value of grazing land, at a
13 production level set by the department, and the taxable
14 value is computed by multiplying the value by seven times
15 the taxable rate for agricultural land."

16 **SECTION 2. SECTION 15-6-144, MCA, IS AMENDED TO READ:**

17 "15-6-144. Class eleven property -- description --
18 taxable percentage. (1) Class eleven property includes all
19 improvements on land that is eligible for valuation,
20 assessment, and taxation as agricultural land under
21 15-7-202~~(2)~~⁽³⁾(2). Class eleven property includes 1 acre of
22 real property beneath the agricultural improvements. The 1
23 acre shall be valued at market value.

24 (2) Class eleven property is taxed at 80% of the
25 taxable percentage applicable to class four property."

Section 3. Section 15-7-202, MCA, is amended to read:

"15-7-202. Eligibility of land for valuation as agricultural. (1) (A) Contiguous parcels of land totaling 20 ~~160~~ 20 160 acres or more under one ownership shall be ~~are~~ eligible for valuation, assessment, and taxation as agricultural land each year that ~~none of the parcels is devoted to a commercial or industrial use~~ NONE OF THE PARCELS IS DEVOTED TO A RESIDENTIAL, COMMERCIAL, OR INDUSTRIAL USE.

~~(2) CONTIGUOUS PARCELS OF LAND OF 20 ACRES OR MORE BUT LESS THAN 160 ACRES ARE ELIGIBLE FOR VALUATION, ASSESSMENT, AND TAXATION AS AGRICULTURAL LAND IF~~ AND THAT

(B) (1) CONTIGUOUS PARCELS OF LAND OF 20 ACRES OR MORE BUT LESS THAN 160 ACRES UNDER ONE OWNERSHIP ARE ELIGIBLE FOR VALUATION, ASSESSMENT, AND TAXATION AS AGRICULTURAL LAND IF the land is used primarily for raising AND MARKETING, AS DEFINED IN SUBSECTION (1)(B) (1)(C), products that meet the definition of agricultural in 15-1-101 AND EACH YEAR THAT THE PARCELS MEET ONE OF THE FOLLOWING QUALIFICATIONS:

(i) THE PARCELS PRODUCE AND THE OWNER OR THE OWNER'S AGENT, EMPLOYEE, OR LESSEE MARKETS FROM THE RAISING OF AGRICULTURAL PRODUCTS;

(A) AT LEAST \$10 IN GROSS INCOME PER ACRE PER YEAR ON PARCELS OF LAND TOTALING AT LEAST 20 ACRES BUT NOT MORE THAN 40 ACRES;

(B) AT LEAST \$5 IN GROSS INCOME PER ACRE PER YEAR ON THE NEXT 120 ACRES IN EXCESS OF 40 ACRES; AND

(C) AT LEAST \$2 IN GROSS INCOME PER ACRE PER YEAR FOR EACH ACRE IN EXCESS OF 160 ACRES; OR

(ii) THE PARCELS WOULD HAVE MET THE QUALIFICATIONS SET OUT IN SUBSECTION (1)(A)(i) IF IT WERE NOT FOR INDEPENDENT INTERVENING CAUSES OF PRODUCTION FAILURE BEYOND THE CONTROL OF THE PRODUCER OR FOR MARKETING DELAY FOR ECONOMIC ADVANTAGE OR FOR ADVERSE MARKET CONDITIONS THAT LIMIT THE ABILITY OF THE PARCELS TO MEET THE REQUIREMENTS FOR GROSS INCOME PER ACRE UNDER THIS SUBSECTION (1), IN WHICH CASE PROOF OF QUALIFICATION IN A PRIOR YEAR WILL SUFFICE; OR

(iii) THE AGRICULTURAL PRODUCTION ON THE PARCELS IS DONE UNDER A CROP OR GRASSING ROTATION PROGRAM AND THE AMOUNT REQUIRED UNDER SUBSECTION (1)(A)(i) IS PRODUCED OVER THE NUMBER OF YEARS IN THE CROP CYCLE;

(B) THE REQUIREMENTS FOR GROSS INCOME PER ACRE UNDER SUBSECTION (1)(A) MAY INCLUDE LAND RENTAL PAYMENTS MADE UNDER THE FEDERAL CONSERVATION RESERVE PROGRAM OR A SUCCESSOR TO THAT PROGRAM;

(C) NOTWITHSTANDING THE REQUIREMENTS FOR GROSS INCOME PER ACRE UNDER SUBSECTION (1)(A), NONCONTIGUOUS PARCELS OF LAND ARE ELIGIBLE FOR VALUATION, ASSESSMENT, AND TAXATION AS AGRICULTURAL LAND UNDER SUBSECTION (1)(A) IF:

(i) THE LAND IS AN INTEGRAL PART OF THE AGRICULTURAL

~~USE-OF-LAND-ELIGIBLE-UNDER-SUBSECTION-(1)(A)-AND~~

~~(1)-THE-LAND-IS-NOT-DEVOTED-TO-A-RESIDENTIAL,~~
~~COMMERCIAL-OR-INDUSTRIAL-USE. A PARCEL OF LAND IS PRESUMED~~
~~TO BE USED PRIMARILY FOR RAISING AGRICULTURAL PRODUCTS IF~~
~~THE OWNER OR THE OWNER'S IMMEDIATE FAMILY MEMBERS, AGENT,~~
~~EMPLOYEE, OR LESSEE MARKETS NOT LESS THAN \$1,500 IN ANNUAL~~
~~GROSS INCOME FROM THE RAISING OF AGRICULTURAL PRODUCTS~~
~~PRODUCED BY THE LAND. THE OWNER OF LAND THAT IS NOT PRESUMED~~
~~TO BE AGRICULTURAL LAND SHALL VERIFY TO THE DEPARTMENT THAT~~
~~THE LAND IS USED PRIMARILY FOR RAISING AND MARKETING~~
~~AGRICULTURAL PRODUCTS.~~

~~(II) NONCONTIGUOUS PARCELS OF LAND THAT MEET THE INCOME~~
~~REQUIREMENT OF SUBSECTION (1)(B)(I) ARE ELIGIBLE FOR~~
~~VALUATION, ASSESSMENT, AND TAXATION AS AGRICULTURAL LAND~~
~~UNDER SUBSECTION (1)(B)(I) IF:~~

~~(A) THE LAND IS AN INTEGRAL PART OF A BONA FIDE~~
~~AGRICULTURAL OPERATION UNDERTAKEN BY THE PERSONS SET FORTH~~
~~IN SUBSECTION (1)(B)(I) AS DEFINED IN THIS SECTION; AND~~

~~(B) THE LAND IS NOT DEVOTED TO A RESIDENTIAL,~~
~~COMMERCIAL, OR INDUSTRIAL USE.~~

~~(B)(C) FOR THE PURPOSES OF THIS SUBSECTION (1),~~
~~"MARKETING" MEANS THE SELLING OF AGRICULTURAL PRODUCTS~~
~~PRODUCED ON BY THE LAND AND INCLUDES BUT IS NOT LIMITED TO:~~

~~(1) CASH RENTAL OR LEASE OF THE LAND AS LONG AS THE~~
~~LAND IS ACTIVELY USED FOR GRAZING LIVESTOCK OR FOR OTHER~~

~~AGRICULTURAL PURPOSES; AND~~

~~(II) RENTAL PAYMENTS MADE UNDER THE FEDERAL CONSERVATION~~
~~RESERVE PROGRAM OR A SUCCESSOR TO THAT PROGRAM. For the~~
~~purpose of this section, land is not primarily used for~~
~~raising agricultural products if the agricultural use, even~~
~~though it may produce more income than any other use of the~~
~~land, is incidental to the predominant use of the land.~~

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

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

~~(b) the parcels would have met the qualification set~~
~~out in subsection (2)(a) (3)(A) were it not for~~
~~independent intervening causes of production failure beyond~~
~~the control of the producer or marketing delay for economic~~
~~advantage, in which case proof of qualification in a prior~~
~~year will suffice.~~

~~(3)(4)(3) Parcels that do not meet the qualifications~~

1 set out in subsections (1) and ~~(2)~~ THROUGH (3) AND (2) shall
 2 may not be classified or valued as agricultural if they are
 3 part of a platted subdivision that is filed with the county
 4 clerk and recorder in compliance with the Montana
 5 Subdivision and Platting Act.

6 ~~(4)(5)(4)~~ Land may not be classified or valued as
 7 agricultural if it is subdivided land with stated
 8 restrictions effectively prohibiting its use for
 9 agricultural purposes. For the purposes of this subsection
 10 only, "subdivided land" includes parcels of land larger than
 11 20 acres that have been subdivided for commercial or
 12 residential purposes.

13 ~~(5)(6)(5)~~ The grazing on land by a horse or other
 14 animals kept as a hobby and not as a part of a bona fide
 15 agricultural enterprise shall is not be considered a bona
 16 fide agricultural operation.

17 ~~(6)(7)(6)~~ THE DEPARTMENT MAY NOT CLASSIFY LAND LESS
 18 THAN 160 ACRES AS AGRICULTURAL UNLESS THE OWNER HAS APPLIED
 19 TO HAVE LAND CLASSIFIED AS AGRICULTURAL LAND. LAND OF 20
 20 ACRES OR MORE BUT LESS THAN 160 ACRES FOR WHICH NO
 21 APPLICATION FOR AGRICULTURAL CLASSIFICATION HAS BEEN MADE IS
 22 TAXED AS PROVIDED IN 15-6-133(1)(C). If land has been
 23 valued, assessed, and taxed as agricultural land in any
 24 year, it shall must continue to be so valued, assessed, and
 25 taxed as agricultural until the department reclassifies the

1 property. A reclassification does not mean revaluation
 2 pursuant to 15-7-111.

3 ~~(7)(8)(7)~~ For the purposes of this part, growing timber
 4 is not an agricultural use.

5 ~~(8)(9)(8)~~ Subject to the provisions of subsections
 6 ~~(2)(a) (2)(7)-(3)(A) (1), (2)(A), and (2)(b) (3)(B) (2)(B),~~
 7 property upon which sod, ornamental, nursery, or
 8 horticultural crops are raised, grown, or produced must
 9 consist of at least 10 acres before the property is eligible
 10 to be classified as agricultural land. Improvements devoted
 11 to crop production described in this subsection may not be
 12 included in class eleven property."

13 ~~SECTION 4. SECTION 17-7-502, MCA, IS AMENDED TO READ:~~
 14 ~~"17-7-502. Statutory appropriations-----definition-----~~
 15 ~~requisites-for-validity--(1)-A-statutory-appropriation-is-an~~
 16 ~~appropriation-made-by-permanent-law-that-authorizes-spending~~
 17 ~~by---a---state---agency---without---the---need---for---a---biennial~~
 18 ~~legislative-appropriation-or-budget-amendment.~~

19 ~~(2)---Except---as---provided---in---subsection---(4),---to---be~~
 20 ~~effective,---a---statutory-appropriation-must-comply-with-both~~
 21 ~~of-the-following-provisions:~~

22 ~~(a)---The-law-containing-the-statutory-authority-must---be~~
 23 ~~listed-in-subsection-(3):~~

24 ~~(b)---The---law---or---portion-of-the-law-making-a-statutory~~
 25 ~~appropriation---must---specifically---state---that---a---statutory~~

1 appropriation-is-made-as-provided-in-this-section;
 2 {3}--The-following-laws-are--the--only--laws--containing
 3 statutory--appropriations:--2-9-202;--2-17-105;--2-18-012;
 4 10-3-203;--10-3-312;--10-3-314;--10-4-301;--13-37-304;--15-1-111;
 5 {section-6};--15-23-706;--15-25-123;--15-31-702;--15-36-112;
 6 15-37-117;--15-65-121;--15-70-101;--16-1-404;--16-1-410;
 7 16-1-411;--17-3-212;--17-5-404;--17-5-424;--17-5-704;--17-5-004;
 8 17-6-409;--17-7-304;--19-5-404;--19-6-709;--19-8-504;--19-9-702;
 9 19-9-1007;--19-10-205;--19-10-305;--19-10-506;--19-11-512;
 10 19-11-513;--19-11-606;--19-12-301;--19-13-604;--19-15-101;
 11 20-4-109;--20-6-406;--20-8-111;--20-9-361;--20-26-1503;
 12 22-3-011;--23-5-136;--23-5-306;--23-5-409;--23-5-610;--23-5-612;
 13 23-5-631;--23-7-301;--23-7-402;--27-12-206;--37-43-204;
 14 37-51-501;--39-71-2504;--44-12-206;--44-13-102;--53-6-150;
 15 53-24-206;--61-5-121;--67-3-205;--75-1-1101;--75-5-507;
 16 75-5-1108;--75-11-313;--76-12-123;--77-1-808;--80-2-103;
 17 80-11-310;--82-11-136;--82-11-161;--85-1-220;--90-3-301;
 18 90-4-215;--90-6-331;--90-7-228;--and--90-9-306;
 19 {4}--There-is-a--statutory--appropriation--to--pay--the
 20 principal--interest--premiums--and--costs--of--issuing--paying,
 21 and--securing--all--bonds--notes--or--other--obligations--as--due,
 22 that--have--been--authorized--and--issued--pursuant--to--the--laws--of
 23 Montana--Agencies--that--have--entered--into--agreements
 24 authorized--by--the--laws--of--Montana--to--pay--the--state
 25 treasury--for--deposit--in--accordance--with--17-2-101--through

1 17-2-107,--as--determined--by--the--state--treasurer,--an--amount
 2 sufficient--to--pay--the--principal--and--interest--as--due--on--the
 3 bonds--or--notes--have--statutory--appropriation--authority--for
 4 the--payments,--{in--subsection--{3}}--pursuant--to--sec--7,--Ch-
 5 567,--b,--1991,--the--inclusion--of--19-6-709--terminates--upon
 6 death--of--last--recipient--eligible--for--supplemental--benefit,
 7 and--pursuant--to--sec--18,--Ch--748,--b,--1991,--the--inclusion--of
 8 22-3-011--terminates--June--30,--1993,}*
 9

9 NEW SECTION. SECTION 4. APPROPRIATION. (1) THERE IS
 10 APPROPRIATED TO THE DEPARTMENT OF REVENUE \$90,000 FROM THE
 11 GENERAL FUND FOR THE FISCAL YEAR ENDING JUNE 30, 1995, FOR
 12 THE ADMINISTRATION OF 15-6-133 AND 15-7-202, AS AMENDED BY
 13 [THIS ACT].

14 (2) THERE IS APPROPRIATED TO THE DEPARTMENT OF REVENUE
 15 \$111,000 FROM THE GENERAL FUND FOR THE FISCAL YEAR ENDING
 16 JUNE 30, 1994, FOR THE ADMINISTRATION OF 15-6-133 AND
 17 15-7-202, AS AMENDED BY [THIS ACT].

18 NEW SECTION. SECTION 6. STATUTORY APPROPRIATION. THERE
 19 IS--STATUTORILY--APPROPRIATED,--AS--PROVIDED--IN--17-7-502,
 20 \$90,000--FROM--THE--GENERAL--FUND--EACH--YEAR--FOR--THE
 21 ADMINISTRATION--OF--15-6-133--AND--15-7-202,--AS--AMENDED--BY--[THIS
 22 ACT].

23 NEW SECTION. Section 5. Effective date DATES --
 24 applicability. {This act} is (1) [SECTION 5 4 AND THIS
 25 SECTION] ARE effective January JULY 1, 1994, 1993.

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1 ~~{2}--{SECTIONS 4 AND 6} ARE EFFECTIVE JULY 1, 1994.~~
2 ~~{3}{2} [SECTIONS 1 THROUGH 3] ARE EFFECTIVE JULY~~
3 JANUARY 1, 1994, and applies APPLY to tax years beginning
4 after December 31, 1993.

-End-