# HOUSE BILL NO. 643

# INTRODUCED BY GILBERT

## IN THE HOUSE

	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.

ON	MOTION,	CO	NFERENCE	COMMITTEE
REC	QUESTED	AND	APPOINTE	ED.

## 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.

A BILL FOR AN ACT ENTITLED: "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: AMENDING SECTION 15-7-202, MCA: AND PROVIDING A DELAYED EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

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

"15-7-202. Eligibility of land for valuation as agricultural. (1) Contiguous parcels of land totaling 20 acres or more under one ownership shall-be are eliqible for valuation, assessment, and taxation as agricultural land each year that none--of--the--parcels--is--devoted--to--a commercial--or-industrial-use 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) Except as provided in subsection (8), contiguous or noncontiquous parcels of land totaling less than 20 acres

one ownership that are actively devoted to agricultural use shall are be eligible for valuation, assessment, and taxation as herein--provided agricultural any of the following each vear the parcels meet

qualifications:

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(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

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 of the producer or marketing delay for economic advantage, 13 in which case proof of qualification in a prior year will 14 15 suffice.

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

(4) Land may not be classified or valued as agricultural if it is subdivided land with stated restrictions effectively prohibiting its for agricultural purposes. For the purposes of this subsection 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
  - 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.

# 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:

	F	<u> 194</u>	 FY95_
Universities	\$	0	\$ 233,000
School Foundation	<del>.</del>	0	 3,694,000
Total (02)	\$	0	\$ 3,927,000

(Over)

DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

DAVE BROWN, PRIMARY SPONSOR

Fiscal Note for HB0643, as introduced

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Fiscal Note Request <u>HB0643</u>, as introduced Form BD-15 page 2 (continued)

# Expenditures: (Department of Revenue)

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

Property Valuation		FY '94				
	<u>Current Law</u>	Proposed Law	<u>Difference</u>	<u>Current Law</u>	Proposed Law	<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	269,800	269,800	0	269,800	269,800	0
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:

	F	794	FY95
Counties	\$	0	\$ 2,927,000
Local Schools	<del></del>	0	 4,740,000
Total	\$	0	\$ 7,667,000

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# APPROVED BY COMMITTEE ON TAXATION

1	HOUSE BILL NO. 643
2	INTRODUCED BY D. BROWN
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4	A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THAT PARCELS
5	OF LAND LESS THAN 160 ACRES MUST BE USED PRIMARILY FOR
6	RAISING AGRICULTURAL PRODUCTS IN ORDER TO BE CLASSIFIED AS
7	AGRICULTURAL LAND FOR PROPERTY TAX PURPOSES; TAXING PARCELS
8	OF NONAGRICULTURAL LAND OF 20 ACRES OR MORE BUT LESS THAN
9	160 ACRES AT SEVEN TIMES THE RATE FOR GRAZING LAND;
10	PROVIDING FOR APPROPRIATIONS; AMENDING SECTIONS
11	15-6-133, 15-6-144, 15-7-202, AND 17-7-502, MCA; AND
12	PROVIDING A-DEBAYED-EPPROTIVE-BATE EFFECTIVE DATES AND AN
13	APPLICABILITY DATE."
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- BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
- 16 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;
- 20 (b) nonproductive patented mining claims outside the 21 limits of an incorporated city or town held by an owner for 22 the ultimate purpose of developing the mineral interests on 23 the property. For the purposes of this subsection (1)(b), 24 the following provisions apply:
  - (i) The claim may not include any property that is used

- for residential purposes, recreational purposes as described
- 2 in 70-16-301, or commercial purposes as defined in 15-1-101
- 3 or any property the surface of which is being used for other
- 4 than mining purposes or has a separate and independent value
- 5 for such other purposes.
- 6 (ii) Improvements to the property that would not
- 7 disqualify the parcel are taxed as otherwise provided in
- 8 this title, including that portion of the land upon which
- 9 such improvements are located and that is reasonably
- 10 required for the use of the improvements.
- 11 (iii) Nonproductive patented mining claim property must
- 12 be valued as if the land were devoted to agricultural
- 13 grazing use.
- 14 (c) parcels of land of 20 acres or more but less than
- 15 160 acres under one ownership that are not eligible for
- 16 valuation, assessment, and taxation as agricultural land
- 17 under 15-7-202(2). The land may not be devoted to a
- 18 commercial or industrial purpose.
- 19 (2) Class three property is taxed at the taxable
- 20 percentage rate "P" of its productive capacity.
- 21 (3) Until July 1, 1986, the taxable percentage rate "P"
- 22 for class three property is 30%.
- 23 (4) Prior to July 1, 1986, the department of revenue
- 24 shall determine the taxable percentage rate "P" applicable
- 25 to class three property for the revaluation cycle beginning

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January 1, 1986, as follows:

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- 2 (a) The director of the department of revenue shall
  3 certify to the governor before July 1, 1986, the percentage
  4 by which the appraised value of all property in the state
  5 classified under class three as of January 1, 1986, has
  6 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:

21	Certified Statewide	Class Three Taxable
22	Percentage Increase	Percentage "P"
23	0	30.00
24	10	27.27
25	20	25.00

1	1	30	23.08
	2	40	21.43
	3	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.
- 7 (6) The land described in subsection (1)(c) is valued
  8 at the productive capacity value of grazing land, at a
  9 production level set by the department, and the taxable
  10 value is computed by multiplying the value by seven times
  11 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."
- 22 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

HB 643

valuation, assessment, and taxation as agricultural land 1 each year that none--of--the--parcels--is--devoted--to--a 2 3 commercial-or-industrial-use NONE OF THE PARCELS IS DEVOTED TO A COMMERCIAL OR INDUSTRIAL USE.

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- (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 8 primarily for raising products that meet the definition of agricultural in 15-1-101. For the purpose of this section, 9 land is not primarily used for raising agricultural products 10 11 if the agricultural use, even though it may produce more 12 income than any other use of the land, is incidental to the 13 predominant use of the land.
  - t2+(3) Except as provided in subsection t8+ (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:
- 21 (a) the parcels produce and the owner or the owner's 22 agent, employee, or lessee markets not less than \$1,500 in 23 annual gross income from the raising of agricultural products as defined in 15-1-101; or 24
- 25 (b) the parcels would have met the qualification set

- 1 out in subsection (2)(a) (3)(A) were it not for independent
- 2 intervening causes of production failure beyond the control
- of the producer or marketing delay for economic advantage, 3
- in which case proof of qualification in a prior year will
- suffice.
- (3)(4) Parcels that do not meet the qualifications set 7 out in subsections (1) and-(2) THROUGH (3) shall may not be 8 classified or valued as agricultural if they are part of a
- 9 platted subdivision that is filed with the county clerk and
- recorder in compliance with the Montana Subdivision and 10
- 11 Platting Act.
- 12 (4)(5) Land may not be classified or valued as
- 13 agricultural if it is subdivided land with stated
- 14 restrictions effectively prohibiting its use for
- 15 agricultural purposes. For the purposes of this subsection
- only, "subdivided land" includes parcels of land larger than 16
- 20 acres that have been subdivided for commercial or 17
- 18 residential purposes.
- 19 (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 20
- agricultural enterprise shall is not be considered a bona 21
- 22 fide agricultural operation.
- 23 (6)(7) If land has been valued, assessed, and taxed as
- agricultural land in any year, it shall must continue to be 24
- so valued, assessed, and taxed as agricultural until the 25

- 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 3 not an agricultural use.
  - (0)(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." 12

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### 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
  - appropriation made by permanent law that authorizes spending
  - a state agency without the need for a biennial
- 18 legislative appropriation or budget amendment.
- (2) Except as provided in subsection (4), to 19
  - effective, a statutory appropriation must comply with both
- 21 of the following provisions:
- (a) The law containing the statutory authority must be 22
- listed in subsection (3). 23
- (b) The law or portion of the law making a statutory 24
- 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
- statutory appropriations: 2-9-202; 2-17-105; 2-18-812;
  - [section 6]; 15-23-706; 15-25-123; 15-31-702; 15-36-112;

10-3-203; 10-3-312; 10-3-314; 10-4-301; 13-37-304; 15-1-111;

- 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; 7
- 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;
- 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:
- 22-3-811; 23-5-136; 23-5-306; 23-5-409; 23-5-610; 23-5-612; 12
- 13 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:
- 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; 90-7-220; 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,
- 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
- 25 treasurer, 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, L. 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, L. 1991, the inclusion of
8	22-3-811 terminates June 30, 1993.)*
9	NEW SECTION. SECTION 5. APPROPRIATION. THERE IS
10	APPROPRIATED TO THE DEPARTMENT OF REVENUE \$111,000 FROM THE
11	GENERAL FUND FOR THE FISCAL YEAR ENDING JUNE 30, 1994, FOR
12	THE ADMINISTRATION OF 15-6-133 AND 15-7-202, AS AMENDED BY
13	[THIS ACT].
14	NEW SECTION. SECTION 6. STATUTORY APPROPRIATION. THERE
15	IS STATUTORILY APPROPRIATED, AS PROVIDED IN 17-7-502,
16	\$90,000 FROM THE GENERAL FUND EACH YEAR FOR THE
17	ADMINISTRATION OF 15-6-133 AND 15-7-202, AS AMENDED BY [THIS
18	ACT].
19	NEW SECTION. Section 7. Effective Tdate DATES
20	applicability. †This-act}-is (1) [SECTION 5 AND THIS
21	SECTION] ARE effective January JULY 1, 1994, 1993.
22	(2) [SECTIONS 4 AND 6] ARE EFFECTIVE JULY 1, 1994.
23	(3) [SECTIONS 1 THROUGH 3] ARE EFFECTIVE JULY 1, 1994,
24	and applies APPLY to tax years beginning after December 31,

1993.

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1	BOOSE BILL NO. 045
2	INTRODUCED BY GILBERT
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4	A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THAT PARCELS
5	OF LAND LESS THAN 160 ACRES MUST BE USED PRIMARILY FOR
6	RAISING AGRICULTURAL PRODUCTS IN ORDER TO BE CLASSIFIED AS
7	AGRICULTURAL LAND FOR PROPERTY TAX PURPOSES; TAXING PARCELS
8	OF NONAGRICULTURAL LAND OF 20 ACRES OR MORE BUT LESS THAN
9	160 ACRES AT SEVEN TIMES THE RATE FOR GRAZING LAND;
.0	PROVIDING FOR APPROPRIATIONS AN APPROPRIATION; AMENDING
1	SBETION SECTIONS 15-6-133, 15-6-144, AND 15-7-202, AND
12	17-7-5027 MCA; AND PROVIDING A-BELAYEDEFFECTIVEDATE
L3	EFFECTIVE DATES AND AN APPLICABILITY DATE.*
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15	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
۱6	SECTION 1. SECTION 15-6-133, MCA, IS AMENDED TO READ:
L <b>7</b>	*15-6-133. Class three property description
18	taxable percentage. (1) Class three property includes:
L9	(a) agricultural land as defined in 15-7-202;
20	(b) nonproductive patented mining claims outside the
21	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),

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

the following provisions apply:

or	any property the surface of which is being used for other
tha	an mining purposes or has a separate and independent value
for	r such other purposes.
	(ii) Improvements to the property that would not
dis	squalify the parcel are taxed as otherwise provided in
thi	is title, including that portion of the land upon which
suc	ch improvements are located and that is reasonably
rec	quired for the use of the improvements.
	(iii) Nonproductive patented mining claim property must
be	valued as if the land were devoted to agricultural
gra	azing use.
	(c) parcels of land of 20 acres or more but less than
160	O acres under one ownership that are not eligible for
	luation, assessment, and taxation as agricultural land
	der 15-7-202(2). The land may not be devoted to a
	mmercial or industrial purpose.
	(2) Class three property is taxed at the taxable
nei	rcentage rate "P" of its productive capacity.
pc.	(3) Until July 1, 1986, the taxable percentage rate "P"
	(5) outst out 1, 1500, the taxable percentage rate P

for class three property is 30%.

**HB 643** THIRD READING AS AMENDED

shall determine the taxable percentage rate "P" applicable

to class three property for the revaluation cycle beginning

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

for residential purposes, recreational purposes as described

in 70-16-301, or commercial purposes as defined in 15-1-101

January	ı,	1986,	as	follows:
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1 2

- (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:

21	Certified Statewide	Class Three Taxable
22	Percentage Increase	Percentage "P"
23	0	30.00
24	10	27.27
25	20	25.00

1	30	23.08
2	40	21.43
3	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.

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- (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.
- t2)(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

-5-

- out in subsection (2)(a) (3)(A) were it not for independent
- intervening causes of production failure beyond the control
- 3 of the producer or marketing delay for economic advantage,
- 4 in which case proof of qualification in a prior year will
- 5 suffice.
- 6 +3+(4) Parcels that do not meet the qualifications set
- 7 out in subsections (1) and-(2) THROUGH (3) shall may not be
- 8 classified or valued as agricultural if they are part of a
- platted subdivision that is filed with the county clerk and
- 10 recorder in compliance with the Montana Subdivision and
- 11 Platting Act.
- 12 (4)(5) Land may not be classified or valued as
- 13 agricultural if it is subdivided land with stated
- 14 restrictions effectively prohibiting its use fo
- 15 agricultural purposes. For the purposes of this subsection
- only, "subdivided land" includes parcels of land larger than
- 17 20 acres that have been subdivided for commercial or
- 18 residential purposes.
- 19 +5+(6) The grazing on land by a horse or other animals
- 20 kept as a hobby and not as a part of a bona fide
- 21 agricultural enterprise shall is not be considered a bona
- 22 fide agricultural operation.
- 23 (6)(7) If land has been valued, assessed, and taxed as
- 24 agricultural land in any year, it shall must continue to be
- 25 so valued, assessed, and taxed as agricultural until the

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

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

(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 AMBRIDED 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)7--to---be effective7--a--statutory-appropriation-must-comply-with-both of-the-following-provisions:
- (a)--The-law-containing-the-statutory-authority-must--be
  tisted-in-subsection-{3};
- (b)--The--law--or--portion-of-the-law-making-a-statutory appropriation--must--specifically--state--that--a--statutory

2 +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: fsection-6};--15-23-706;--15-25-123;--15-31-702;--15-36-112; 15-37-1177---15-65-1217---15-70-1017---16-1-4047---16-1-4107 7 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; 10 19-11-5137--19-11-6067--19-12-3017---19-13-6047---19-15-1017 11 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; 12 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 53-24-2067----61-5-1217---67-3-2057---75-1-11017---75-5-5077 16 75-5-11087---75-11-313;---76-12-1237---77-1-888;---88-2-183; 17 80-11-3107---82-11-1367---82-11-1617---85-1-2207---90-3-3017 18 90-4-2157-90-6-3317-90-7-2207-and-90-9-306+ 19 (4)--There-is--a--statutory--appropriation--to--pay--the 20 principaly-interesty-premiumsy-and-costs-of-issuingy-payingy 21 and-securing-all-bondsy-notesy-or-other-obligationsy-as-duey 22 that-have-been-authorised-and-issued-pursuant-to-the-laws-of 23 Montana----Agencies---that---have--entered--into--agreements 24 authorised--by--the--laws--of--Montana--to--pay--the---state 25 treasurery -- for -- deposit-in-accordance-with-17-2-101-through

appropriation-is-made-as-provided-in-this-section-

1	17-2-1677-as-determined-by-the-statetreasurer7anamount
2	sufficienttopay-the-principal-and-interest-as-due-on-the
3	bonds-or-notes-have-statutoryappropriationauthorityfor
4	thepayments(Insubsection-(3):-pursuant-to-sec7,-Ch-
5	5677-b19917-theinclusionof19-6-709terminatesupon
6	deathoflast-recipient-eligible-for-supplemental-benefit;
7	and-pursuant-to-sec:-187-Ch:-7487-b:-19917-the-inclusionof
8	22-3-811-terminates-June-307-1993-;*
9	NEW SECTION. SECTION 4. APPROPRIATION. THERE IS
LO	APPROPRIATED TO THE DEPARTMENT OF REVENUE \$111,000 FROM THE
11	GENERAL FUND FOR THE FISCAL YEAR ENDING JUNE 30, 1994, FOR
12	THE ADMINISTRATION OF 15-6-133 AND 15-7-202, AS AMENDED BY
13	[THIS ACT].
14	NEW-SECTION SECTION-6 STATUTORY APPROPRIATION. THERE
15	ISSTATUTORILYAPPROPRIATED;ASPROVIDEDIN17-7-502;
L6	990,000PromTheGeneralPundBachYearForThe
L7	ADMINISTRATION-OF-15-6-133-AND-15-7-2027-AS-AMENDED-BY-{THIS
18	ACT):
19	NEW SECTION. Section 5. Effective date DATES
20	applicability. {This-act}-is (1) {SECTION 5 4 AND THIS
21	SECTION] ARE effective January JULY 1, 1994, 1993.
22	12){SBCTIONS-4-AND-6}-ARE-EFFECTIVE-JULY-1,-1994-
23	(3) [SECTIONS 1 THROUGH 3] ARE EFFECTIVE BULY
24	JANUARY 1, 1994, and applies APPLY to tax years beginning
26	after December 21 1002

HB 643

Page 1 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.

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)"

Grosfield

W- Amd. Coord. M Sec. of Senate

Senator Carrying Bill

801832SC.Sma

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)"

-ENO-

SENATE

HB 643 801832SC.Sma April 13, 1993 2:34 pm

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

ADOPT

REJECT

igned: UMT (M) NOS

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)"

Page 5, line 8.Following: "raising"

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

4. Page 5, line 9. Following: "15-1-101"

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

(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

April 13, 1993 Page 2 of 2

(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-

HB 649

SENATE r811434CW.Sma

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2	INTRODUCED BY GILBERT
3	
4	A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THAT PARCELS
5	OF LAND LESS-THAN-160-ACRES OF 20 ACRES OR MORE MUST BE USED
6	PRIMARILY FOR RAISING AGRICULTURAL PRODUCTS IN ORDER TO BE
7	CLASSIFIED AS AGRICULTURAL LAND FOR PROPERTY TAX PURPOSES;
8	REQUIRING THAT LAND PRODUCE A CERTAIN AMOUNT OF GROSS INCOME
9	PER ACRE IN ORDER TO BE ELIGIBLE FOR TAXATION AS
10	AGRICULTURAL LAND; TAXING PARCELS OF NONAGRICULTURAL LAND OF
11	20 ACRES OR MORE BUT-LESS-THAN-160-ACRES AT SEVEN TIMES THE
12	RATE FOR GRAZING LAND; PROVIDING FOR APPROPRIATIONS AN
13	APPROPRIATION; AMENDING SECTIONS 15-6-133, 15-6-144,
14	AND 15-7-202, AND-17-7-502, MCA; AND PROVIDING ABELAYED
15	SPPBCTIVE-DATE EFFECTIVE DATES AND AN APPLICABILITY DATE."
16	
17	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
18	SECTION 1. SECTION 15-6-133, MCA, IS AMENDED TO READ:
19	"15-6-133. Class three property description
20	taxable percentage. (1) Class three property includes:
21	(a) agricultural land as defined in 15-7-202;
22	(b) nonproductive patented mining claims outside the
23	limits of an incorporated city or town held by an owner for
24	the ultimate purpose of developing the mineral interests on
25	the property. For the purposes of this subsection (1)(b),

HOUSE BILL NO. 643

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

the following provisions apply:

- (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

  17 learness under one ownership that are not eligible for

  18 valuation, assessment, and taxation as agricultural land

  19 under 15-7-202(2)(1). The land may not be devoted to a

  20 commercial or industrial purpose.
- 21 (2) Class three property is taxed at the taxable
  22 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



HB 0643/04 HB 0643/04

14

shall determine the taxable percentage rate "P" applicable 1 2 to class three property for the revaluation cycle beginning 3 January 1, 1986, as follows:

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- (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 14 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:

23	Certified Statewide	Class Three Taxable
24	Percentage Increase	Percentage "P"
25	O	30.00

1	10	27.27
2	20	25.00
3	30	23.08
4	40	21.43
5	50	20.00

- (5) After July 1, 1986, no adjustment may be made by 7 the department to the taxable percentage rate "P" until a revaluation has been made as provided in 15-7-111.
- 9 (6) The land described in subsection (1)(c) is valued 10 at the productive capacity value of grazing land, at a 11 production level set by the department, and the taxable value is computed by multiplying the value by seven times 13 the taxable rate for agricultural land."

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

15 \*15-6-144. Class eleven property -- description -taxable percentage. (1) Class eleven property includes all 16 17 improvements on land that is eligible for valuation, 18 assessment, and taxation as agricultural land under 19 15-7-202(2)(3)(2). Class eleven property includes 1 acre of 20 real property beneath the agricultural improvements. The 1 21 acre shall be valued at market value.

- 22 (2) Class eleven property is taxed at 80% of the 23 taxable percentage applicable to class four property."
- 24 Section 3. Section 15-7-202, MCA, is amended to read:
- 25 "15-7-202. Eligibility of land for valuation as

-4-

-3-HB 643 HB 0643/04

1	agricultural. (1) (A) Contiguous parcels of land totaling 20
2	160 20 acres or more under one ownership shail-be are
3	eligible for valuation, assessment, and taxation as
4	agricultural land each year that none-of-the-parcels-is
5	devoted-to-acommercialorindustrialuse NONE OF THE
,	DARGELS IS DEVOTED TO A COMMERCIAL OR INDUSTRIAL USE-

+2)--CONTIGUOUS--PARCELS-OF-LAND-OF-20-ACRES-OR-MORE-BUT bess-than-160-acres-are-ebigibbe-por-valuation,--assessment, AND--TAXATION--AS--AGRICULTURAL-LAND-IF AND THAT the land is 9 used primarily for raising AND MARKETING, AS DEFINED IN 10 SUBSECTION (1)(D), products that meet the definition of 11 agricultural in 15-1-101 AND EACH YEAR THAT THE PARCELS MEET 12 ONE OF THE FOLLOWING QUALIFICATIONS: 13

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8

- (I) THE PARCELS PRODUCE AND THE OWNER OR THE OWNER'S 14 AGENT, EMPLOYEE, OR LESSEE MARKETS FROM THE RAISING OF 15 AGRICULTURAL PRODUCTS: 16
- (A) AT LEAST \$10 IN GROSS INCOME PER ACRE PER YEAR ON 17 PARCELS OF LAND TOTALING AT LEAST 20 ACRES BUT NOT MORE THAN 18 40 ACRES; 19
- (B) AT LEAST \$5 IN GROSS INCOME PER ACRE PER YEAR ON 20 THE NEXT 120 ACRES IN EXCESS OF 40 ACRES; AND 21 (C) AT LEAST \$2 IN GROSS INCOME PER ACRE PER YEAR FOR 22
- EACH ACRE IN EXCESS OF 160 ACRES; OR 23 (II) THE PARCELS WOULD HAVE MET THE QUALIFICATIONS SET 24 OUT IN SUBSECTION (1)(A)(I) IF IT WERE NOT FOR INDEPENDENT 25

- 1 INTERVENING CAUSES OF PRODUCTION FAILURE BEYOND THE CONTROL
- OF THE PRODUCER OR FOR MARKETING DELAY FOR 2
- ADVANTAGE, OR FOR ADVERSE MARKET CONDITIONS THAT LIMIT THE 3
- ABILITY OF THE PARCELS TO MEET THE REQUIREMENTS FOR GROSS 4
- 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
- 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
- (II) THE LAND IS NOT DEVOTED TO A RESIDENTIAL, 21
- 22 COMMERCIAL, OR INDUSTRIAL USE.
- (D) FOR THE PURPOSES OF THIS SUBSECTION (1), 23
- 24 "MARKETING" MEANS THE SELLING OF AGRICULTURAL PRODUCTS
- 25 PRODUCED ON THE LAND AND INCLUDES BUT IS NOT LIMITED TO CASH

HB 643

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RENTAL OR LEASE OF THE LAND AS LONG AS THE LAND IS ACTIVELY

USED FOR GRAZING LIVESTOCK OR FOR OTHER AGRICULTURAL

PURPOSES. Por-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;

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(2)(3)(2) Except as provided in subsection (0) (8), (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) (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.
- 25 (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.

this is subdivided and 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.

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

22 †7)(θ)(7) For the purposes of this part, growing timber
 23 is not an agricultural use.

24 (8)(9)(8) Subject to the provisions of subsections 25 (2)(a), and (2)(b) (3)(B),

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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."

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#### 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-

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      16-1-4117--17-3-2127-17-5-4047-17-5-4247-17-5-7047-17-5-804+
      17-6-409;-17-7-304;-19-5-404;-19-6-709;-19-0-504;--19-9-702;
      19-9-1007;---19-10-205;---19-10-305;--19-10-506;--19-11-512:
 3
 4
      19-11-513;--19-11-606;--19-12-301;---19-13-604;---19-15-101;
 5
      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;
 7
      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;
 9
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      75-5-1108;---75-11-313;---76-12-123;---77-1-808;---80-2-103;
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      80-11-310;---82-11-136;---82-11-161;---85-1-220;---90-3-301;
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      90-4-215;-90-6-331;-90-7-220;-and-90-9-306;
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          f4)--There-is--a--statutory--appropriation--to--pay--the
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      principal,-interest,-premiums,-and-costs-of-issuing,-paying,
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      and-securing-all-bonds;-notes;-or-other-obligations;-as-due;
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      that-have-been-authorized-and-issued-pursuant-to-the-laws-of
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      Montanar---Agencies---that---have--entered--into--agreements
      authorized--by--the--laws--of--Montana--to--pay--the---state
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      treasurery--for--deposit-in-accordance-with-17-2-101-through
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      17-2-1077-as-determined-by-the-state--treasurery--an--amount
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      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-

5677-b--19917-the--inclusion--of--19-6-789--terminates--upon

death--of--last-recipient-eligible-for-supplemental-benefit;

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HB 0643/04

1	and-paradant-to-sect-107-cn7-7467-52-17917-tne-10c148101or
2	22-3-011-terminates-June-307-1993-}"
3	NEW SECTION. SECTION 4. APPROPRIATION. THERE IS
4	APPROPRIATED TO THE DEPARTMENT OF REVENUE \$111,000 FROM THE
5	GENERAL FUND FOR THE FISCAL YEAR ENDING JUNE 30, 1994, FOR
6	THE ADMINISTRATION OF 15-6-133 AND 15-7-202, AS AMENDED BY
7	[THIS ACT].
В	NEW-SECTION-G-GTATUTORY APPROPRIATION-THERE
9	ISSTATUTORILYAPPROPRIATED,ASPROVIDEDIN17-7-5027
10	\$987888PROMTHE-GENERALPUNBEACHYEARPORTHE
11	ADMINISTRATION-OF-15-6-133-AND-15-7-2027-AS-AMENDEB-BY-{THIS
12	ACT].
13	NEW SECTION. Section 5. Effective "date Dates
14	applicability. {This-act}-is (1) [SECTION 5 4 AND THIS
15	SECTION] ARE effective January JULY 1, 1994, 1993.
16	12){SECTIONS-4-AND-6}-ARE-EFFECTIVE-JUBY-17-1994.
17	†3)(2) [SECTIONS 1 THROUGH 3] ARE EFFECTIVE JULY
18	JANUARY 1, 1994, and applies APPLY to tax years beginning
19	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"

Title, lines 8 through 10.
 Strike: "REQUIRING" on line 8 through ";" 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: "\_"
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: "."

Insert: "A parcel of land is presumed to be used primarily forraising 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

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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: ": (1)" 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)"

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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

en. Doberty Chair

Rep. Gilbert

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Town 1 Was

HB 0643/05

2	INTRODUCED BY GILBERT
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4	A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THAT PARCELS
5	OF LAND LESS-THAN-160-ACRES OF 20 ACRES OR MORE BUT LESS
6	THAN 160 ACRES MUST BE USED PRIMARILY FOR RAISING AND
7	MARKETING AGRICULTURAL PRODUCTS IN ORDER TO BE CLASSIFIED AS
8	AGRICULTURAL LAND FOR PROPERTY TAX PURPOSES; REQUIRING-THAT
9	LAND-PRODUCE-A-CERTAIN-AMOUNT-OF-GROSS-INCOMEPERACREIN
10	ORDERTOBEELIGIBLEPORTAXATION-AS-AGRICULTURAL-LAND;
11	TAXING PARCELS OF NONAGRICULTURAL LAND OF 20 ACRES OR MORE
12	BUT LESS THAN 160 ACRES BUT-BESS-THAN-160-ACRES AT SEVEN
13	TIMES THE RATE FOR GRAZING LAND; PROVIDING FOR
14	APPROPRIATIONS AN APPROPRIATION; AMENDING SECTIONS
15	15-6-133, 15-6-144, AND 15-7-202, AND-17-7-502, MCA; AND
16	PROVIDING A-BBLAYEB-EPFECTIVE DATES AND AN
17	APPLICABILITY DATE."
18	
19	BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA;
20	SECTION 1. SECTION 15-6-133, MCA, IS AMENDED TO READ:
21	"15-6-133. Class three property description
22	taxable percentage. (1) Class three property includes:
23	(a) agricultural land as defined in 15-7-202;
24	(b) nonproductive patented mining claims outside the
25	limits of an incorporated city or town held by an owner for

HOUSE BILL NO. 643

1	the ultimate purpose of developing the mineral interests	0
2	the property. For the purposes of this subsection (1)(b	)
3	the following provisions apply:	

- 4 (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.
- 15 (iii) Nonproductive patented mining claim property must 16 be valued as if the land were devoted to agricultural 17 grazing use.
- 23 (2) Class three property is taxed at the taxable 24 percentage rate "P" of its productive capacity.
  - (3) Until July 1, 1986, the taxable percentage rate "P"

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for class three property is 30%.

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- (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 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 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.
- 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

1	Percentage Increase	Percentage "P"
2	o	30.00
3	10	27.27
4	20	25.00
5	30	23.08
6	40	21.43
7	50	20.00

- (5) After July 1, 1986, no adjustment may be made by 8 9 the department to the taxable percentage rate "P" until a 10 revaluation has been made as provided in 15-7-111.
- (6) The land described in subsection (1)(c) is valued 11 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."

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

- 17 \*15-6-144. Class eleven property -- description -taxable percentage. (1) Class eleven property includes all 18 19 improvements on land that is eligible for valuation, assessment, and taxation as agricultural land under 20 15-7-202(2)(3)(2). Class eleven property includes 1 acre of 21 22 real property beneath the agricultural improvements. The 1 23 acre shall be valued at market value.
- (2) Class eleven property is taxed at 80% of the 24 25 taxable percentage applicable to class four property."

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ı	Section 3. Section 15-7-202, MCA, is amended to read:
2	"15-7-202. Eligibility of land for valuation as
3	agricultural. (1) (A) Contiguous parcels of land totaling 20
1	
5	eligible for valuation, assessment, and taxation as
5	agricultural land each year that none-of-the-parcels-is
7	devoted-to-acommercialorindustrialuse NONE OF THE
В	PARCELS IS DEVOTED TO A RESIDENTIAL, COMMERCIAL, OR
9	INDUSTRIAL USE:
0	12)CONTIGUOUS-PARCELS-OF-LAND-OF-20-ACRES-OR-MOREBUT
1	LESSTHAN-160-ACRES-ARE-ELIGIBLE-POR-VALUATION,-ASSESSMENT,
2	AND-TAXATION-AS-AGRICULTURAL-LAND-IF AND-THAT
3	(B) (I) CONTIGUOUS PARCELS OF LAND OF 20 ACRES OR MORE
4	BUT LESS THAN 160 ACRES UNDER ONE OWNERSHIP ARE ELIGIBLE FOR
5	VALUATION, ASSESSMENT, AND TAXATION AS AGRICULTURAL LAND IF
6	the land is used primarily for raising AND MARKETING, AS
_	
7	DEFINED IN SUBSECTION (1)(C), products that meet the
8	definition of agricultural in 15-1-101 ANDBACHYEARTHAT
9	THE-PARCELS-MEET-ONE-OP-THE-POLLOWING-QUALIFICATIONS:
0	(I)THEPARCELSPRODUCEAND-THE-OWNER-OR-THE-OWNER+9
1	AGENT7-EMPLOYEE7-ORLESSEEMARKETSPROMTHERAISINGOF
2	AGRICULTURAL-PRODUCTS:
23	(A)ATBEAST\$10-IN-GROSS-INCOME-PER-ACRE-PER-YEAR-ON
2 4	PARCELS-OF-LAND-TOTALING-AT-LEAST-20-ACRES-BUT-NOT-MORE-THAN
25	40-ACRES;

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1	(B)AT-LEAST-\$5-IN-GROSS-INCOME-PER-ACREPERYEARON
2	THE-NEXT-120-ACRES-IN-BXCESS-OP-40-ACRES7-AND
3	(e)ATLEAST92-IN-GROSS-INCOME-PER-ACRE-PER-YEAR-FOR
4	EACH-ACRE-IN-EXCESS-OF-160-ACRES;-OR
5	111)-THE-PARCELS-WOULD-HAVE-MET-THEQUALIFICATIONSSET
6	OUTINSUBSECTION-(1)(A)(I)-IP-IT-WERE-NOT-POR-INDEPENDENT
7	INTERVENING-CAUSES-OF-PRODUCTION-PAILURE-BEYOND-THECONTROL
8	OPTHEPRODUCERORPORMARKETINGDELAYPORECONOMIC
9	ABVANTAGE7-GR-POR-ADVERSE-MARKET-CONDITIONS-THATLIMITTHE
10	ABILITYOFTHEPARCELS-TO-MEST-THE-REQUIREMENTS-FOR-GROSS
11	INCOME-PER-ACRE-UNDER-THIS-SUBSECTION(1)7INWHICHCASE
12	PROOF-OF-QUALIFICATION-IN-A-PRIOR-YEAR-WILL-SUPFICE;-OR
13	(III)-THE-AGRICULTURAL-PRODUCTION-ON-THE-PARCELS-IS-DONE
14	UNDERACROPORGRATINGROTATION-PROGRAM-AND-THE-AMOUNT
15	REQUIRED-UNDER-SUBSECTION-(1)(A)(1)ISPRODUCEDOVERTHE
16	NUMBER-OF-YEARS-IN-THE-CROP-CYCLE;
17	{B}THEREQUIREMENTSPORGROSS-INCOME-PER-ACRE-UNDER
18	SUBSECTION-(1)(A)-MAYINCLUDELANDRENTALPAYMENTSMADE
19	underTheFeberalConservationreserveprogramora
20	SUCCESSOR-TO-THAT-PROGRAM.
21	(e)notwithstanding-the-requirements-porgrossincome
22	PERACREUNDER-SUBSECTION-(1)(A),-NONCONTIGUOUS-PARCELS-OF
23	band-are-edigible-por-valuation,-assessment,-and-taxation-as
24	AGRICULTURAL-LAND-UNDER-SUBSECTION-(1)(A)-IF:
25	<u> †i}The-Land-IS-an-Integral-PartOPTheagricultural</u>

-6-

HB 643

L	USE-OF-LAND-BLIGIBLE-UNDER-SUBSECTION-(1)(A);-AND
2	1117-THELANDISNOTDEVOTEDTOARESIDENTIAL,

COMMERCIALT-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.

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12 (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

15 UNDER SUBSECTION (1)(B)(I) IF:

(A) THE LAND IS AN INTEGRAL PART OF A BONA FIDE 16

AGRICULTURAL OPERATION UNDERTAKEN BY THE PERSONS SET FORTH

IN SUBSECTION (1)(B)(I) AS DEFINED IN THIS SECTION; AND

19 (B) THE LAND IS NOT DEVOTED TO A RESIDENTIAL,

COMMERCIAL, OR INDUSTRIAL USE.

(b)(C) FOR THE PURPOSES OF THIS SUBSECTION

"MARKETING" MEANS THE SELLING OF AGRICULTURAL PRODUCTS

-7-

PRODUCED ON BY THE LAND AND INCLUDES BUT IS NOT LIMITED TO:

24 (I) CASH RENTAL OR LEASE OF THE LAND AS LONG AS THE

25 LAND IS ACTIVELY USED FOR GRAZING LIVESTOCK OR FOR OTHER

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1	ACKICULTURAL	PURPOSES:	ANL

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2 (II) RENTAL PAYMENTS MADE UNDER THE FEDERAL CONSERVATION 3 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-usey-even though-it-may-produce-more-income-than-any-other-use-of--the 7

landy-is-incidental-to-the-predominant-use-of-the-land;

 $\frac{(2)}{(2)}$  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
- 19 (b) the parcels would have met the qualification set 20 out in subsection (2)(a) (2)(A) were it not for independent intervening causes of production failure beyond 21 22 the control of the producer or marketing delay for economic advantage, in which case proof of qualification in a prior 24 year will suffice.
- 25 (3) Parcels that do not meet the qualifications

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set out in subsections (1) and-f2) THROUGH-f3) 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.

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t5)t6)(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.

t6)+7)(6) THE DEPARTMENT MAY NOT CLASSIFY LAND LESS 17 THAN 160 ACRES AS AGRICULTURAL UNLESS THE OWNER HAS APPLIED 18 TO HAVE LAND CLASSIFIED AS AGRICULTURAL LAND. LAND OF 20 19 ACRES OR MORE BUT LESS THAN 160 ACRES FOR WHICH NO 20 APPLICATION FOR AGRICULTURAL CLASSIFICATION HAS BEEN MADE IS 21 TAXED AS PROVIDED IN 15-6-133(1)(C). If land has been 22 valued, assessed, and taxed as agricultural land in any 23 year, it shall must continue to be so valued, assessed, and 24 taxed as agricultural until the department reclassifies the 25

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

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

(8)(9)(8) Subject to the provisions of subsections (2)(a) (2)(a) (2)(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:

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

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

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2
         f3}--The-following-laws-are--the--only--laws--containing
      statutory---appropriations:---2-9-202:--2-17-105:--2-18-012:
      10-3-2037-10-3-3127-10-3-3147-10-4-3017-13-37-3047-15-1-111:
      fsection-61;--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;-17-5-484;-17-5-424;-17-5-784;-17-5-884;
      17-6-409:-17-7-304:-19-5-404:-19-6-709:-19-0-504:--19-9-702:
      19-9-1807:---19-18-205:---19-18-305:--19-18-506:--19-11-512:
      19-11-513;--19-11-606;--19-12-301;---19-13-604;---19-15-101;
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11
      20-4-109;----20-6-406;---20-8-111;---20-9-361;---20-26-1503;
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      22-3-811;-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;
      53-24-286;----61-5-121;---67-3-205;---75-1-1101;---75-5-507;
15
16
      75-5-1100;---75-11-313;---76-12-123;---77-1-000;---00-2-103;
17
      80-11-3107---82-11-1367---82-11-1617---85-1-2207---98-3-3817
18
      90-4-2157-90-6-3317-90-7-2207-mnd-90-9-3067
19
          (4)--There-is--a--statutory--appropriation--to--pay--the
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      principaly-interesty-premiumsy-and-costs-of-issuingy-payingy
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
```

treasurery--for--deposit-in-accordance-with-17-2-101-through

-11-

appropriation-is-made-as-provided-in-this-section-

1

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```
17-2-1077-as-determined-by-the-state--treasurery--an--amount
     sufficient -- to -- pay-the-principal-and-interest-as-due-on-the
2
     bonds-or-notes-have-statutory--appropriation--authority--for
      the--payments---(In--subsection-(3):-pursuant-to-sec--7,-Chr
      5677-b--19917-the--inclusion--of--19-6-709--terminates--upon
      death--of--last-recipient-eligible-for-supplemental-benefit:
      and-pursuant-to-sect-187-Cht-7487-5:-19917-the-inclusion--of
      22-3-811-terminates-June-307-199371*
          NEW SECTION. SECTION 4. APPROPRIATION. (1) THERE IS
 9
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
      15-7-202, AS AMENDED BY [THIS ACT].
17
          NEW-SECTION: -- SECTION-6: - STATUTORY APPROPRIATION - THERE
18
19
      IS---STATUTORILY--APPROPRIATED; --AS--PROVIDED--IN--17-7-502;
      $90,000--PROM--THE--GENERAL---PUND---EACH---YEAR---FOR---THE
20
      ADMINISTRATION-OF-15-6-133-AND-15-7-2027-AS-AMENDED-BY-{THIS
21
22
      ACT}+
          NEW SECTION. Section 5. Effective
23
                                               ~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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HB 0643/05

L	<del>{2}{SBCTIONS-4-AND-6}-ARE-EPPECTIVE-5ULY-1,-1994-</del>	
2	(3)(2) [SECTIONS 1 THROUGH 3] ARE EFFECTIVE JUL	¥
3	JANUARY 1, 1994, and applies APPLY to tax years beginning	g
4	after December 31, 1993.	

-End-