

1 HOUSE BILL NO. 870
2 INTRODUCED BY B. LER, E. BUTTREY, J. READ, E. BUTCHER, J. FIELDER, S. HINEBAUCH, D. LOGE, R.
3 FITZGERALD, F. ANDERSON, C. KNUDSEN, R. KNUDSEN, J. DOOLING, J. KASSMIER, B. PHALEN, J.
4 CARLSON, B. MITCHELL, J. SCHILLINGER, K. SEEKINS-CROWE, M. MALONE, C. HINKLE, R. MARSHALL,
5 T. SMITH, R. MINER, G. OBLANDER, L. DEMING, J. BERGSTROM, P. GREEN

6
7 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE TAX RATE FOR AGRICULTURAL PROPERTY
8 OWNED BY CERTAIN NONPROFIT CORPORATIONS; AMENDING SECTIONS 15-6-133, 15-6-134, 15-6-
9 229, AND 15-18-219, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

12
13 **Section 1.** Section 15-6-133, MCA, is amended to read:

14 **"15-6-133. Class three property -- description -- taxable percentage.** (1) Class three property
15 includes:

16 (a) ~~— except as provided in subsection (1)(d),~~ agricultural land as defined in 15-7-202;

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

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

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

27 (iii) Nonproductive patented mining claim property must be valued as if the land were devoted to

Amendment - 1st Reading/2nd House-blue - Requested by: Brandon Ler - (S) Natural Resources

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Drafter: Megan Moore, 406-444-4496

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1 agricultural grazing use.

2 (c) parcels of land of 20 acres or more but less than 160 acres under one ownership that are not
3 eligible for valuation, assessment, and taxation as agricultural land under 15-7-202(1), which are considered to
4 be nonqualified agricultural land. Nonqualified agricultural land may not be devoted to a commercial or
5 industrial purpose. Nonqualified agricultural land is valued at the average productive capacity value of grazing
6 land.

7 (d) agricultural land acquired after [the effective date of this act] and owned by a nonprofit
8 corporation except for:

9 (i) a church or religious corporation;

10 (ii) a school, college, or university;

11 (iii) a hospital, medical research organization, or facility that cares for the elderly or disabled;

12 (iv) an organization that provides low-income housing;

13 (v) a cemetery corporation;

14 (vi) an organization that operates a residential treatment center;

15 (vii) an organization that provides housing to military veterans; ~~or~~

16 (viii) a rural cooperative utility;

17 (ix) a corporation organized for the primary purpose of providing irrigation, including the entire
18 works and property used for the purpose of irrigation, main ditches and canals, laterals, laterals, headgates,
19 flumes, spillways, boxes, and all other appliances and means by which the waters of any entity are or may be
20 apportioned or distributed for use; or

21 (x) a veterans service organization.

22 (2) Subject to ~~subsection~~ subsections (3) and (4), class three property is taxed at 2.16% of its
23 productive capacity value.

24 (3) The taxable value of land described in subsection (1)(c) is computed by multiplying the value of
25 the land by seven times the taxable percentage rate for agricultural land.

26 (4) The taxable value of land described in subsection (1)(d) is computed by multiplying the value of
27 the land by 10 times the taxable percentage rate for agricultural land."