



1 eligible for valuation, assessment, and taxation as agricultural land under 15-7-202(1), which are considered to  
 2 be nonqualified agricultural land. Nonqualified agricultural land may not be devoted to a commercial or  
 3 industrial purpose. Nonqualified agricultural land is valued at the average productive capacity value of grazing  
 4 land.

5 (2) Subject to subsection (3), class three property is taxed at ~~2.46%~~ 1.85% of its productive  
 6 capacity value.

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

9

10 **Section 2.** Section 15-6-134, MCA, is amended to read:

11 **"15-6-134. Class four property -- description -- taxable percentage.** (1) Class four property  
 12 includes:

13 (a) subject to subsection (1)(e), all land, except that specifically included in another class;

14 (b) subject to subsection (1)(e):

15 (i) all improvements, including single-family residences, trailers, manufactured homes, or mobile  
 16 homes used as a residence, except those specifically included in another class;

17 (ii) appurtenant improvements to the residences, including the parcels of land upon which the  
 18 residences are located and any leasehold improvements;

19 (iii) vacant residential lots; and

20 (iv) rental multifamily dwelling units.

21 (c) all improvements on land that is eligible for valuation, assessment, and taxation as agricultural  
 22 land under 15-7-202, including 1 acre of real property beneath improvements on land described in 15-6-  
 23 133(1)(c). The 1 acre must be valued at market value.

24 (d) 1 acre of real property beneath an improvement used as a residence on land eligible for  
 25 valuation, assessment, and taxation as forest land under 15-6-143. The 1 acre must be valued at market value.

26 (e) all commercial and industrial property, as defined in 15-1-101, and including:

27 (i) all commercial and industrial property that is used or owned by an individual, a business, a  
 28 trade, a corporation, a limited liability company, or a partnership and that is used primarily for the production of

1 income;

2 (ii) all golf courses, including land and improvements actually and necessarily used for that  
3 purpose, that consist of at least nine holes and not less than 700 lineal yards;

4 (iii) commercial buildings and parcels of land upon which the buildings are situated; and

5 (iv) vacant commercial lots.

6 (2) If a property includes both residential and commercial uses, the property is classified and  
7 appraised as follows:

8 (a) the land use with the highest percentage of total value is the use that is assigned to the  
9 property; and

10 (b) the improvements are apportioned according to the use of the improvements.

11 (3) (a) Except as provided in 15-24-1402, 15-24-1501, 15-24-1502, and subsection (3)(b), class  
12 four residential property described in subsections (1)(a) through (1)(d) of this section is taxed at ~~1.35%~~ 0.76%  
13 of market value.

14 (b) The tax rate for the portion of the market value of a single-family residential dwelling in excess  
15 of \$1.5 million is ~~the residential property tax rate in subsection (3)(a) multiplied by 1.4~~ 1.35%.

16 (c) The tax rate for commercial property is ~~the residential property tax rate in subsection (3)(a)~~  
17 ~~multiplied by 1.4~~ 1.35%.

18 (4) Property described in subsection (1)(e)(ii) is taxed at one-half the tax rate established in  
19 subsection (3)(c)."

20

21 NEW SECTION. Section 3. Effective date. [This act] is effective on passage and approval.

22

23 NEW SECTION. Section 4. Retroactive applicability. [This act] applies retroactively, within the  
24 meaning of 1-2-109, to tax years beginning after December 31, 2024, and to the reappraisal cycle beginning  
25 January 1, 2025.

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- END -