



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2027 Biennium

Bill#/Title: HB0411.01: Exempt agricultural property from open space levies

Primary Sponsor: Jane Gillette Status: As Introduced

☐ Included in the Executive Budget ☐ Needs to be included in HB 2 ☒ Significant Local Gov Impact  
☐ Significant Long-Term Impacts ☐ Technical Concerns ☐ Dedicated Revenue Form Attached

### FISCAL SUMMARY

	<u>FY 2026 Difference</u>	<u>FY 2027 Difference</u>	<u>FY 2028 Difference</u>	<u>FY 2029 Difference</u>
<b>Expenditures</b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>Revenues</b>				
General Fund (01)	\$0	\$0	\$0	\$0
<b>Net Impact</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<b>General Fund Balance</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

### Description of fiscal impact

HB 411 exempts all agricultural land in an authorizing jurisdiction from open space levies. The state does not levy open space levies so there is no impact to the state.

### FISCAL ANALYSIS

#### Assumptions

#### Department of Revenue

1. The authorization for open space levies is controlled by 76-6-109, MCA.
2. If a governing body passes a general obligation bond, the levies to pay the principal and interest of these bonds may not be levied against certain property types, including agricultural land, under 76-6-109 (3), MCA.
3. It is possible for a governing body to propose a mill levy that is not subject to 76-6-109 (3), MCA if the levy is not specifically for the repayment of principal or interest on bonds.
4. If the mill levy not subject to 76-6-109(3), MCA is adopted by the voters, it is uniformly assessed against all property in the jurisdiction boundaries created by the governing body.
5. HB 411 would exempt all class 3 agricultural (both qualified and non-qualified) property from open space mill levies, without regard to the levy's bond repayment status.
6. The state does not currently assess any open space levies, therefore there is no impact to the state.

### Effect on County or Other Local Revenues or Expenditures

#### Department of Revenue

1. Open space levies are the purview of local jurisdictions. The only levy the department was able to identify that is not subject to 76-6-109 (3), MCA, that levies taxes against all property in the county was the 4.5 mill Gallatin County levy authorized in 2018 .
2. In TY 2024 Gallatin County had a total taxable value of agricultural property of \$3.475 million on which 4.5 mills raised about \$15,600. This mill levy is expected to raise \$3.352 million. A \$15,600 reduction to that amount would be about 0.5% for the taxing jurisdiction's total collections.

**Montana Association of Counties**

3. Open space bond levy revenue estimates will need to take into consideration the exclusion authorized by this bill.

 2/14/25  
Sponsor's Initials Date

 2/12/2025  
Budget Director's Initials Date