

Amendment - 2nd Reading-yellow - Requested by: Sherry Essmann - (H) Committee of the Whole

- 2025
69th Legislature 2025

Drafter: Megan Moore,

HB0027.002.002

HOUSE BILL NO. 27

INTRODUCED BY S. ESSMANN

BY REQUEST OF THE REVENUE INTERIM COMMITTEE

A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE ELIGIBILITY FOR CLASSIFICATION OF PROPERTY AS AGRICULTURAL FOR PROPERTY VALUATION PURPOSES; REQUIRING AN APPLICATION PROCESS FOR AGRICULTURAL PROPERTY; PROVIDING FOR A REVIEW PROCESS FOR PROPERTIES CLASSIFIED AS AGRICULTURAL PROPERTY; REVISING INCOME REQUIREMENTS FOR CERTAIN PROPERTY TO QUALIFY AS AGRICULTURAL PROPERTY; REMOVING THE NONQUALIFIED AGRICULTURAL PROPERTY CLASSIFICATION; PROVIDING FOR AN IDLE LAND PROPERTY CLASSIFICATION AND TAX RATE; PROVIDING FOR A SUSTENANCE USE LAND CLASSIFICATION; PROVIDING FOR A NONPRODUCTIVE FOREST LAND CLASSIFICATION AND TAX RATE; REQUIRING A REALTY TRANSFER CERTIFICATE TO INCLUDE THE SALES PRICE FOR CERTAIN AGRICULTURAL AND TIMBER PROPERTY; PROVIDING RULEMAKING AUTHORITY; AMENDING SECTIONS 15-6-133, 15-6-134, 15-6-143, 15-7-202, 15-7-206, 15-7-307, 15-8-111, 15-10-420, 15-18-219, ~~AND 15-30-2660, AND 15-44-102~~, MCA; AND PROVIDING A DELAYED EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

NEW SECTION. SECTION 1. ELIGIBILITY OF LAND FOR VALUATION AS SUSTENANCE USE LAND. (1)

CONTIGUOUS PARCELS OF LAND OF **more than 20 acres and** LESS THAN 640 ACRES UNDER ONE OWNERSHIP THAT ARE ACTIVELY DEVOTED TO SUSTENANCE USE ARE ELIGIBLE FOR VALUATION, ASSESSMENT, AND TAXATION AS AGRICULTURAL LAND IF:

(A) THE LAND IS USED PRIMARILY FOR GROWING FRUITS, VEGETABLES, AND GRAINS OR FOR RAISING LIVESTOCK FOR PERSONAL HOUSEHOLD CONSUMPTION OR NONCOMMERCIAL COMMUNITY FOOD SHARING;

(B) THE LAND HAS AN OWNER-OCCUPIED RESIDENTIAL DWELLING ON THE PARCEL;

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(C) AT LEAST 60% OF THE LAND AREA IS ACTIVELY CULTIVATED FOR FOOD PRODUCTION; AND

(D) THE LAND IS NOT USED FOR ANY COMMERCIAL OR INDUSTRIAL PURPOSE.

(2) LAND MAY NOT BE VALUED AS SUSTENANCE USE LAND IF MORE THAN \$500 OF ANNUAL GROSS INCOME IS DERIVED FROM SURPLUS PRODUCTION.

(3) LAND THAT IS DEVOTED TO RESIDENTIAL USE OR THAT IS USED FOR AGRICULTURAL BUILDINGS MUST BE CLASSIFIED AS SUSTENANCE USE LAND, AND THE LAND MUST BE VALUED AS PROVIDED IN 15-7-206.

(4) THE OWNER OF THE PROPERTY SHALL SUBMIT A SUSTENANCE USE ATTESTATION ANNUALLY BY MARCH 1 ON A FORM PRESCRIBED BY THE DEPARTMENT. ~~THE FORM MUST INCLUDE:~~

~~(A) A SIGNED STATEMENT OF NONCOMMERCIAL AND NONINDUSTRIAL USE OF THE LAND;~~

~~(B) AN INVENTORY OF CROPS GROWN AND LIVESTOCK RAISED;~~

~~(C) FOOD PRESERVATION DOCUMENTATION; AND~~

~~(D) A STATEMENT THAT THE PROPERTY OWNER ENGAGED IN A MINIMUM OF 100 HOURS PER YEAR OF ACTIVE CULTIVATION OF FOOD FROM THE LAND.~~

Section 2. 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 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~~on which the improvements are located and that is