

SENATE BILL NO. 98

INTRODUCED BY J. BRENDEN

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A BILL FOR AN ACT ENTITLED: "AN ACT ALLOWING AN EXEMPTION FROM PROPERTY TAXES, UNDER CERTAIN CONDITIONS, FOR NONPRODUCTIVE AGRICULTURAL LAND; REQUIRING AN APPLICATION FOR THE EXEMPTION; AND PROVIDING AN EFFECTIVE DATE."

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

NEW SECTION. Section 1. Exemption of nonproductive agricultural land -- application -- limitation. (1) Subject to the conditions of this section, for tax years beginning after December 31, 2011, there is allowed an exemption from property taxes for the portion of contiguous or noncontiguous parcels of agricultural land classified under 15-6-133(1)(a) under one ownership that contains nonproductive agricultural land. To qualify for the exemption, the nonproductive land must be at least 1 acre.

(2) The exemption allowed under this section applies to any:

(a) land containing habitual wet spots within:

(i) cultivated land that cannot be used for producing crops; or

(ii) grazing land that cannot be used for grazing;

(b) land that cannot produce crops or vegetation for grazing because of the alkaline, saline, or calcium carbonate content of the soil;

(c) land within cultivated land that cannot be crossed with machinery;

(d) land containing abandoned rock quarries or borrow pits;

(e) land containing strip-mine pits;

(f) land that cannot be used for cultivation or grazing because of rock outcrops; or

(g) land within sandy pasture land that cannot produce vegetation.

(3) (a) The owner or operator of agricultural land shall apply to the department for an exemption under this section on a form provided by the department. The application must include:

(i) a legal description of the land in the county for which the exemption is sought;

(ii) a description of the land under subsection (2) for which an exemption is sought;

(iii) a map from the farm service agency, U.S. department of agriculture, or other documentation showing

1 the location of the land for which the exemption is sought; and

2 (iv) other information required by the department.

3 (b) A separate application must be made for each county in which an exemption is sought. An exemption
4 under this section applies to a portion of land that crosses a county line provided the portion of land for which an
5 exemption is sought is at least 1 acre.

6 (c) An application for an exemption that would be in effect for the tax year and subsequent tax years
7 must be filed with the department by March 1 in the tax year that the exemption is sought.

8 (4) The taxpayer shall inform the department of any change in ownership or use of the land or other
9 circumstances that may affect the eligibility of the land for the exemption. The department shall determine whether
10 any changes have occurred that affect the eligibility of the land for the exemption.

11 (5) The exemption allowed under this section does not apply to the 1 acre of land beneath improvements
12 on land described in 15-7-206(2).

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14 NEW SECTION. **Section 2. Codification instruction.** [Section 1] is intended to be codified as an
15 integral part of Title 15, chapter 6, part 2, and the provisions of Title 15, chapter 6, part 2, apply to [section 1].

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17 NEW SECTION. **Section 3. Effective date.** [This act] is effective July 1, 2011.

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