

Proposed 2015 Session Legislation

Agency Name & No: Department of Revenue - 5801

Priority Number: Filename:

Short Title: Revising Subdivision's Classifications for Ag Land Valuation

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1. Purpose:

Strike from statute the language requiring the department to determine value of subdivisions based on whether a subdivision is platted and subdivided and what the nature of the subdivision covenants are.

2. Background:

Montana Supreme Court case Department of Revenue v. Heidecker eliminated the department's determination of agricultural land classification based on subdivision covenants, requiring instead classification of subdivisions strictly according to use.

3. Fiscal Impact by Fund Type: This impact should be as specific as possible.

There will be a fiscal impact to county governments if applied retrospectively, because current classification as class 4 land would be changed to class 3 agricultural land, a much lower valuation. Medium to smaller size counties with smaller tax bases would be especially impacted. Otherwise the fiscal impact would be minimal, absorbed in the ongoing deed work the department conducts for valuation purposes.

4. Summary Checklist [Check & complete all that apply]

- Housekeeping Only, Federal Requirement, Audit Recommendation, Major Legislation, Anticipated to be Controversial Legislation, Bill Draft has been included in Legislation Submittal, Supports Submitted EPP Item Number, Local Government Fiscal Impact, Increases/Decreases FTE, Revenue changes (Tax/Fee/Penalty), Leg. has been Submitted in Previous Legislative Sessions, Legislation would affect other state agencies (State mills for higher education), Special Interest Groups Affected, Other.