



AN ACT REVISING THE PROPERTY TAX EXEMPTION FOR AGRICULTURAL PROCESSING FACILITIES; EXPANDING THE EXEMPTION TO ALL TYPES OF OILSEED PROCESSING FACILITIES; REMOVING THE EMPLOYMENT REQUIREMENT; AMENDING SECTION 15-6-220, MCA; AND PROVIDING AN APPLICABILITY DATE.

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

**Section 1.** Section 15-6-220, MCA, is amended to read:

**"15-6-220. Agricultural processing facilities exemption.** (1) The following property is exempt from property taxation:

- (a) machinery and equipment used in ~~a canola seed oil~~ an oilseed processing facility;
  - (b) machinery and equipment used in a malting barley facility;
  - (c) personal property used by an industrial dairy or an industrial milk processor and dairy livestock used by an industrial dairy;
  - (d) all manufacturing machinery, fixtures, equipment, and tools used for the production of ethanol from grain during the course of the construction of an ethanol manufacturing facility and for 10 years after completion of construction of the manufacturing facility;
  - (e) machinery and equipment used in a pulse processing facility; and
  - (f) machinery and equipment used in a hemp processing facility.
- ~~(2) "Canola seed oil processing facility" means a facility that:~~
- ~~(a) extracts oil from canola seeds, refines the crude oil to produce edible oil, formulates and packages the edible oil into food products, or engages in any one or more of those processes; and~~
  - ~~(b) employs at least 15 employees in a full-time capacity.~~
- ~~(3)~~(2) "Hemp processing facility" means a facility and integral machinery and equipment placed into

production after December 31, 2019, used principally to process hemp in accordance with a license issued by the department of agriculture under Title 80, chapter 18.

~~(4)~~(3) "Industrial dairy" means a large-scale dairy operation with 1,000 or more milking cows and includes the dairy livestock and integral machinery and equipment that the dairy uses to produce milk and milk products solely for export from the state, either directly by the dairy or after the milk or milk product has been further processed by an industrial milk processor. After export, any unprocessed milk must be further processed into other dairy products.

~~(5)~~(4) "Industrial milk processor" means a facility and integral machinery used solely to process milk into milk products for export from the state.

~~(6)~~(5) "Malting barley facility" means a facility and integral machinery and equipment used principally to malt malting barley and includes machinery and equipment to mix, blend, transport, transfer, or process the barley and malt at the facility.

(6) "Oilseed" means camelina, canola, flax, mustard, rapeseed, safflower, sunflower, and soybean.

(7) "Oilseed processing facility" means a facility that extracts oil from oilseeds, refines the crude oil to produce edible oil, formulates and packages the edible oil into food products, or engages in any one or more of these processes.

~~(7)~~(8) "Pulse crops" means dry peas, lentils, chickpeas, and fava beans.

~~(8)~~(9) "Pulse processing facility" means a facility and integral machinery and equipment placed into service after December 31, 2017, and used principally to process pulse crops. The term includes machinery and equipment used to mix, split, transport within the facility, transfer, extract protein from, dry, or handle any pulse crop. (Subsections (1)(e), ~~(7)~~(8), and ~~(8)~~(9) terminate December 31, 2027--sec. 3, Ch. 383, L. 2017; subsections (1)(f) and ~~(3)~~(2) terminate December 31, 2029--sec. 3, Ch. 290, L. 2019.)"

**Section 2. Applicability.** [This act] applies to property tax years beginning after December 31, 2021.

- END -

I hereby certify that the within bill,  
SB 288, originated in the Senate.

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Secretary of the Senate

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President of the Senate

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2021.

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Speaker of the House

Signed this \_\_\_\_\_ day  
of \_\_\_\_\_, 2021.

SENATE BILL NO. 288

INTRODUCED BY W. SALES

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