

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING PROPERTY TAX LAWS RELATED TO SOLAR PANEL
5 SYSTEMS; CLASSIFYING UTILITY-SCALE SOLAR FACILITIES AS CLASS THIRTEEN PROPERTY;
6 AMENDING SECTION 15-6-156, MCA; AND PROVIDING AN EFFECTIVE DATE AND AN APPLICABILITY
7 DATE."

8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10
11 **Section 1.** Section 15-6-156, MCA, is amended to read:

12 **"15-6-156. Class thirteen property -- description -- taxable percentage.** (1) Except as provided in
13 subsections (2)(a) through (2)(h), class thirteen property includes:

14 (a) electrical generation facilities, except wind generation facilities, biomass generation facilities, and
15 energy storage facilities classified under 15-6-157, of a centrally assessed electric power company;

16 (b) electrical generation facilities, except wind generation facilities, biomass generation facilities, and
17 energy storage facilities classified under 15-6-157, owned or operated by an exempt wholesale generator or an
18 entity certified as an exempt wholesale generator pursuant to 42 U.S.C. 16451;

19 (c) noncentrally assessed electrical generation facilities, except wind generation facilities, biomass
20 generation facilities, and energy storage facilities classified under 15-6-157, owned or operated by any
21 electrical energy producer;

22 (d) allocations of centrally assessed telecommunications services companies; and

23 (e) dedicated communications infrastructure described in 15-6-162(5) for which construction
24 commenced after June 30, 2027, or for which the 15-year period provided for in 15-6-162(5)(c) has expired.

25 (2) Class thirteen property does not include:

26 (a) property owned by cooperative rural electric cooperative associations classified under 15-6-135;

27 (b) property owned by cooperative rural electric cooperative associations classified under 15-6-137 or
28 15-6-157;

- 1 (c) allocations of electric power company property under 15-6-141;
- 2 (d) electrical generation facilities included in another class of property;
- 3 (e) property owned by cooperative rural telephone associations and classified under 15-6-135;
- 4 (f) property owned by organizations providing telecommunications services and classified under 15-6-
- 5 135;
- 6 (g) generation facilities that are exempt under 15-6-225; and
- 7 (h) qualified data centers classified under 15-6-162.

8 (3) (a) For the purposes of this section, "electrical generation facilities" means any combination of a
 9 physically connected generator or generators, associated prime movers, and other associated property,
 10 including appurtenant land and improvements and personal property, that are normally operated together to
 11 produce electric power. The term includes but is not limited to generating facilities that produce electricity from
 12 coal-fired steam turbines, oil or gas turbines, ~~or turbine generators that are driven by falling water, or solar~~
 13 panel systems.

14 (b) The term does not include electrical generation facilities used for noncommercial purposes or
 15 exclusively for agricultural purposes.

16 (c) The term also does not include a ~~qualifying~~ small power production facility, as that term is defined
 17 in 16 U.S.C. 796(17)(A), ~~that is owned and operated by a person not primarily engaged in the generation or~~
 18 ~~sale of electricity other than electric power from a small power production facility and classified under 15-6-134~~
 19 ~~and 15-6-138~~ and which, together with any other facilities at the same site, does not exceed 50 megawatts of
 20 production capacity.

21 (d) The term also does not include a facility that is owned and operated by a person not primarily
 22 engaged in the generation or sale of electricity other than power from a small power production facility and
 23 classified under 15-6-134 and 15-6-138.

24 (4) Class thirteen property is taxed at 6% of its market value."
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26 NEW SECTION. Section 2. Effective date. [This act] is effective October 1, 2021.
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28 NEW SECTION. Section 3. Applicability. [This act] applies to tax years beginning after December

1 31, 2021.

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