

1 SENATE BILL NO. 288

2 INTRODUCED BY W. SALES

3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE PROPERTY TAX EXEMPTION FOR
 5 AGRICULTURAL PROCESSING FACILITIES; EXPANDING THE EXEMPTION TO ALL TYPES OF OILSEED
 6 PROCESSING FACILITIES; REMOVING THE EMPLOYMENT REQUIREMENT; AMENDING SECTION 15-6-
 7 220, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

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

12 **"15-6-220. Agricultural processing facilities exemption.** (1) The following property is exempt from
 13 property taxation:

14 (a) machinery and equipment used in a ~~canola seed oil~~ oilseed processing facility;

15 (b) machinery and equipment used in a malting barley facility;

16 (c) personal property used by an industrial dairy or an industrial milk processor and dairy livestock
 17 used by an industrial dairy;

18 (d) all manufacturing machinery, fixtures, equipment, and tools used for the production of ethanol
 19 from grain during the course of the construction of an ethanol manufacturing facility and for 10 years after
 20 completion of construction of the manufacturing facility;

21 (e) machinery and equipment used in a pulse processing facility; and

22 (f) machinery and equipment used in a hemp processing facility.

23 ~~(2) "Canola seed oil processing facility" means a facility that:~~

24 ~~(a) extracts oil from canola seeds, refines the crude oil to produce edible oil, formulates and packages~~
 25 ~~the edible oil into food products, or engages in any one or more of those processes; and~~

26 ~~(b) employs at least 15 employees in a full-time capacity.~~

27 ~~(3)~~(2) "Hemp processing facility" means a facility and integral machinery and equipment placed into
 28 production after December 31, 2019, used principally to process hemp in accordance with a license issued by

1 the department of agriculture under Title 80, chapter 18.

2 ~~(4)~~(3) "Industrial dairy" means a large-scale dairy operation with 1,000 or more milking cows and
3 includes the dairy livestock and integral machinery and equipment that the dairy uses to produce milk and milk
4 products solely for export from the state, either directly by the dairy or after the milk or milk product has been
5 further processed by an industrial milk processor. After export, any unprocessed milk must be further processed
6 into other dairy products.

7 ~~(5)~~(4) "Industrial milk processor" means a facility and integral machinery used solely to process milk
8 into milk products for export from the state.

9 ~~(6)~~(5) "Malting barley facility" means a facility and integral machinery and equipment used principally
10 to malt malting barley and includes machinery and equipment to mix, blend, transport, transfer, or process the
11 barley and malt at the facility.

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

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

16 ~~(7)~~(8) "Pulse crops" means dry peas, lentils, chickpeas, and fava beans.

17 ~~(8)~~(9) "Pulse processing facility" means a facility and integral machinery and equipment placed into
18 service after December 31, 2017, and used principally to process pulse crops. The term includes machinery
19 and equipment used to mix, split, transport within the facility, transfer, extract protein from, dry, or handle any
20 pulse crop. (Subsections (1)(e), ~~(7)~~(8), and ~~(8)~~(9) terminate December 31, 2027--sec. 3, Ch. 383, L. 2017;
21 subsections (1)(f) and ~~(3)~~(2) terminate December 31, 2029--sec. 3, Ch. 290, L. 2019.)"

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23 NEW SECTION. Section 2. Applicability. [This act] applies to property tax years beginning after
24 December 31, 2021.

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