

1 **** BILL NO. ****
2 INTRODUCED BY ****
3 BY REQUEST OF THE ****
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE ELIGIBILITY FOR CLASSIFICATION OF
6 PROPERTY AS AGRICULTURAL FOR PROPERTY VALUATION PURPOSES; REMOVING THE
7 NONQUALIFIED AGRICULTURAL PROPERTY DESIGNATION; AMENDING SECTIONS 15-6-133, 15-6-134,
8 15-6-229, 15-7-202, 15-10-420, 15-18-219, AND 15-30-2660, MCA; AND PROVIDING A DELAYED
9 EFFECTIVE AND AN APPLICABILITY DATE."

10
11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12
13 **Section 1.** Section 15-6-133, MCA, is amended to read:

14 **"15-6-133. Class three property -- description -- taxable percentage.** (1) Class three property
15 includes:

- 16 (a) agricultural land as defined in 15-7-202;
- 17 (b) nonproductive patented mining claims outside the limits of an incorporated city or town held by
18 an owner for the ultimate purpose of developing the mineral interests on the property. For the purposes of this
19 subsection (1)(b), the following provisions apply:

- 20 (i) The claim may not include any property that is used for residential purposes, recreational
21 purposes as described in 70-16-301, or commercial purposes as defined in 15-1-101 or any property the
22 surface of which is being used for other than mining purposes or has a separate and independent value for
23 other purposes.

- 24 (ii) Improvements to the property that would not disqualify the parcel are taxed as otherwise
25 provided in this title, including that portion of the land upon which the improvements are located and that is
26 reasonably required for the use of the improvements.

- 27 (iii) Nonproductive patented mining claim property must be valued as if the land were devoted to
28 agricultural grazing use.

~~(c) — parcels of land of 20 acres or more but less than 160 acres under one ownership that are not eligible for valuation, assessment, and taxation as agricultural land under 15-7-202(1), which are considered to be nonqualified agricultural land. Nonqualified agricultural land may not be devoted to a commercial or industrial purpose. Nonqualified agricultural land is valued at the average productive capacity value of grazing land.~~

(2) ~~Subject to subsection (3), class Class~~ three property is taxed at 2.16% of its productive capacity value.

~~(3) — The taxable value of land described in subsection (1)(c) is computed by multiplying the value of the land by seven times the taxable percentage rate for agricultural land."~~

Section 2. Section 15-6-134, MCA, is amended to read:

"15-6-134. Class four property -- description -- taxable percentage. (1) Class four property includes:

(a) subject to subsection (1)(e), all land, except that specifically included in another class;

(b) subject to subsection (1)(e):

(i) all improvements, including single-family residences, trailers, manufactured homes, or mobile homes used as a residence, except those specifically included in another class;

(ii) appurtenant improvements to the residences, including the parcels of land upon which the residences are located and any leasehold improvements;

(iii) vacant residential lots; and

(iv) rental multifamily dwelling units.

(c) all improvements on land that is eligible for valuation, assessment, and taxation as agricultural land under 15-7-202, ~~including 1 acre of real property beneath improvements on land described in 15-6-133(1)(c). The 1 acre must be valued at market value.;~~

(d) 1 acre of real property beneath an improvement used as a residence on land eligible for valuation, assessment, and taxation as forest land under 15-6-143. The 1 acre must be valued at market value.

(e) all commercial and industrial property, as defined in 15-1-101, and including:

(i) all commercial and industrial property that is used or owned by an individual, a business, a

1 trade, a corporation, a limited liability company, or a partnership and that is used primarily for the production of
2 income;

3 (ii) all golf courses, including land and improvements actually and necessarily used for that
4 purpose, that consist of at least nine holes and not less than 700 lineal yards;

5 (iii) commercial buildings and parcels of land ~~upon~~on which the buildings are situated; and

6 (iv) vacant commercial lots.

7 (2) If a property includes both residential and commercial uses, the property is classified and
8 appraised as follows:

9 (a) the land use with the highest percentage of total value is the use that is assigned to the
10 property; and

11 (b) the improvements are apportioned according to the use of the improvements.

12 (3)(a) Except as provided in 15-24-1402, 15-24-1501, 15-24-1502, and subsection (3)(b), class four
13 residential property described in subsections (1)(a) through (1)(d) of this section is taxed at 1.35% of market
14 value.

15 (b) The tax rate for the portion of the market value of a single-family residential dwelling in excess
16 of \$1.5 million is the residential property tax rate in subsection (3)(a) multiplied by 1.4.

17 (c) The tax rate for commercial property is the residential property tax rate in subsection (3)(a)
18 multiplied by 1.4.

19 (4) Property described in subsection (1)(e)(ii) is taxed at one-half the tax rate established in
20 subsection (3)(c)."

21

22 **Section 3.** Section 15-6-229, MCA, is amended to read:

23 **"15-6-229. Exemption for land adjacent to transmission line right-of-way easement --**

24 **application -- limitations.** (1) Subject to the conditions of this section, ~~for tax years beginning after December~~
25 ~~31, 2007~~, there is allowed an exemption from property taxes for land that is within 660 feet on either side of the
26 midpoint of a transmission line right-of-way or easement.

27 (2)(a) An owner or operator of a transmission line shall apply to the department for an exemption
28 under this section on a form provided by the department. The application must include a legal description and a

1 digitized certificate of survey of the property in the county for which the exemption is sought prepared by a
 2 surveyor registered with the board of professional engineers and professional land surveyors provided for in 2-
 3 15-1763 ~~of the property in the county for which the exemption is sought,~~ and other information required by the
 4 department. A separate application must be made for each county in which an exemption is sought.

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

7 (3)(a) The owner or operator of a transmission line shall inform the department of any change in
 8 ownership of the land or other circumstances that may affect the eligibility of the land for the exemption. The
 9 department shall determine whether any changes have occurred that affect the eligibility of the land for the
 10 exemption.

11 (b) The exemption allowed under this section does not apply to:

- 12 (i) the boundaries of an incorporated or unincorporated city or town;
- 13 (ii) a platted and filed subdivision;
- 14 (iii) tracts of land used for residential, commercial, or industrial purposes; or
- 15 (iv) the 1 acre of land beneath improvements on land described in ~~15-6-133(1)(c) and~~ 15-7-206(2).

16 (4) For the purposes of this section, "transmission line" means an electric line with a design
 17 capacity of 30 megavoltamperes or greater that is constructed after January 1, 2007."

18

19 **Section 4.** Section 15-7-202, MCA, is amended to read:

20 **"15-7-202. Eligibility of land for valuation as agricultural.** (1) (a) Contiguous parcels of land
 21 totaling 160 acres or more under one ownership are eligible for valuation, assessment, and taxation as
 22 agricultural land each year that none of the parcels is devoted to a residential, commercial, or industrial use.

23 (b)(i) Contiguous parcels of land of 20 acres or more but less than 160 acres under one ownership
 24 that are actively devoted to agricultural use are eligible for valuation, assessment, and taxation as agricultural
 25 land if:

26 (A) the land is used primarily for raising and marketing, as defined in subsection (1)(c), products
 27 that meet the definition of agricultural in 15-1-101 and if, except as provided in subsection (3), the owner or the
 28 owner's immediate family members, agent, employee, or lessee markets not less than \$1,500 in annual gross

1 income from the raising of agricultural products produced by the land; or

2 (B) the parcels would have met the qualification set out in subsection (1)(b)(i)(A) were it not for
3 independent, intervening causes of production failure beyond the control of the producer or a marketing delay
4 for economic advantage, in which case proof of qualification in a prior year will suffice.

5 (ii) Noncontiguous parcels of land that meet the income requirement of subsection (1)(b)(i) are
6 eligible for valuation, assessment, and taxation as agricultural land under subsection (1)(b)(i) if:

7 (A) the land is an integral part of a bona fide agricultural operation undertaken by the persons set
8 forth in subsection (1)(b)(i) as defined in this section; and

9 (B) the land is not devoted to a residential, commercial, or industrial use.

10 (iii) Parcels of land that are part of a family-operated farm, family corporation, family partnership,
11 sole proprietorship, or family trust that is involved in Montana agricultural production consisting of 20 acres or
12 more but less than 160 acres that do not meet the income requirement of subsection (1)(b)(i) may also be
13 valued, assessed, and taxed as agricultural land if the owner:

14 (A) applies to the department requesting classification of the parcel as agricultural;

15 (B) verifies that the parcel of land is greater than 20 acres but less than 160 acres and that the
16 parcel is located within 15 air miles of the family-operated farming entity referred to in subsection (1)(b)(iii)(C);
17 and

18 (C) verifies that:

19 (I) the owner of the parcel is involved in agricultural production by submitting proof that 51% or
20 more of the owner's Montana annual gross income is derived from agricultural production; and

21 (II) property taxes on the property are paid by a family corporation, family partnership, sole
22 proprietorship, or family trust that is involved in Montana agricultural production and 51% of the entity's
23 Montana annual gross income is derived from agricultural production; or

24 (III) the owner is a shareholder, partner, owner, or member of the family corporation, family
25 partnership, sole proprietorship, or family trust that is involved in Montana agricultural production and 51% of
26 the person's or entity's Montana annual gross income is derived from agricultural production.

27 (c) For the purposes of this subsection (1):

28 (i) "marketing" means the selling of agricultural products produced by the land and includes but is

1 not limited to:

2 (A) rental or lease of the land as long as the land is actively used for grazing livestock or for other
3 agricultural purposes; and

4 (B) rental payments made under the federal conservation reserve program or a successor to that
5 program;

6 (ii) land that is devoted to residential use or that is used for agricultural buildings and is included in
7 or is contiguous to land under the same ownership that is classified as agricultural land, ~~other than nonqualified~~
8 ~~agricultural land described in 15-6-133(1)(c)~~, must be classified as agricultural land, and the land must be
9 valued as provided in 15-7-206.

10 (2) Contiguous or noncontiguous parcels of land totaling less than 20 acres under one ownership
11 that are actively devoted to agricultural use are eligible for valuation, assessment, and taxation as agricultural
12 each year that the parcels meet any of the following qualifications:

13 (a) except as provided in subsection (3), the parcels produce and the owner or the owner's agent,
14 employee, or lessee markets not less than \$1,500 in annual gross income from the raising of agricultural
15 products as defined in 15-1-101;

16 (b) the parcels would have met the qualification set out in subsection (2)(a) were it not for
17 independent, intervening causes of production failure beyond the control of the producer or marketing delay for
18 economic advantage, in which case proof of qualification in a prior year will suffice; or

19 (c) in a prior year, the parcels totaled 20 acres or more and qualified as agricultural land under this
20 section, but the number of acres was reduced to less than 20 acres for a public use described in 70-30-102 by
21 the federal government, the state, a county, or a municipality, and since that reduction in acres, the parcels
22 have not been further divided.

23 (3) For grazing land to be eligible for classification as agricultural land under subsections (1)(b)
24 and (2), the land must be capable of sustaining a minimum number of animal unit months of carrying capacity.
25 The minimum number of animal unit months of carrying capacity must equate to \$1,500 in annual gross income
26 as determined by the Montana state university-Bozeman college of agriculture.

27 (4) The grazing on land by a horse or other animals kept as a hobby and not as a part of a bona
28 fide agricultural enterprise is not considered a bona fide agricultural operation.

1 (5)(a) Upon application by the property owner, the following parcels of land are eligible for provisional
2 agricultural classification for 5 years to allow crops to reach salable maturity:

3 (i) a fruit orchard consisting of a minimum of 100 live fruit trees maintained using accepted fruit
4 tree husbandry practices, including pest and disease management, fencing, and a watering system;

5 (ii) a vineyard containing a minimum of 120 live vines maintained using accepted husbandry
6 practices, including weed and grass maintenance, pest and disease management, pruning, and trellising and
7 staking; and

8 (iii) property containing a minimum of 2,000 live Christmas trees cultivated according to accepted
9 husbandry practices, including regular shearing.

10 (b) Following the 5th year of provisional agricultural classification, the property owner shall submit
11 an application for agricultural classification. The application must include documentation proving that the
12 property continues to meet the requirements of subsection (5)(a) and that the income requirements of
13 subsection (2)(a) have been met.

14 (6) The department may not classify land less than 160 acres as agricultural unless the owner has
15 applied to have land classified as agricultural land. ~~Land of 20 acres or more but less than 160 acres for which
16 no application for agricultural classification has been made is valued as provided in 15-6-133(1)(c) and is taxed
17 as provided in 15-6-133(3).~~ If land has been valued, assessed, and taxed as agricultural land in any year, it
18 must continue to be valued, assessed, and taxed as agricultural until the department reclassifies the property. A
19 reclassification does not mean revaluation pursuant to 15-7-111.

20 (7) For the purposes of this part, growing timber is not an agricultural use."
21

22 **Section 5.** Section 15-10-420, MCA, is amended to read:

23 **"15-10-420. Procedure for calculating levy.** (1) (a) Subject to the provisions of this section, a
24 governmental entity that is authorized to impose mills may impose a mill levy sufficient to generate the amount
25 of property taxes actually assessed in the prior year plus one-half of the average rate of inflation for the prior 3
26 years. The maximum number of mills that a governmental entity may impose is established by calculating the
27 number of mills required to generate the amount of property tax actually assessed in the governmental unit in
28 the prior year based on the current year taxable value, less the current year's newly taxable value, plus one-half

1 of the average rate of inflation for the prior 3 years.

2 (b) A governmental entity that does not impose the maximum number of mills authorized under
3 subsection (1)(a) may carry forward the authority to impose the number of mills equal to the difference between
4 the actual number of mills imposed and the maximum number of mills authorized to be imposed. The mill
5 authority carried forward may be imposed in a subsequent tax year.

6 (c) For the purposes of subsection (1)(a), the department shall calculate one-half of the average
7 rate of inflation for the prior 3 years by using the consumer price index, U.S. city average, all urban consumers,
8 using the 1982-84 base of 100, as published by the bureau of labor statistics of the United States department of
9 labor.

10 (2) A governmental entity may apply the levy calculated pursuant to subsection (1)(a) plus any
11 additional levies authorized by the voters, as provided in 15-10-425, to all property in the governmental unit,
12 including newly taxable property.

13 (3)(a) For purposes of this section, newly taxable property includes:

- 14 (i) annexation of real property and improvements into a taxing unit;
- 15 (ii) construction, expansion, or remodeling of improvements;
- 16 (iii) transfer of property into a taxing unit;
- 17 (iv) subdivision of real property; and
- 18 (v) transfer of property from tax-exempt to taxable status.

19 (b) Newly taxable property does not include an increase in value that arises because of an
20 increase in the incremental value within a tax increment financing district.

21 (4)(a) For the purposes of subsection (1), the taxable value of newly taxable property includes the
22 release of taxable value from the incremental taxable value of a tax increment financing district because of:

- 23 (i) a change in the boundary of a tax increment financing district;
- 24 (ii) an increase in the base value of the tax increment financing district pursuant to 7-15-4287; or
- 25 (iii) the termination of a tax increment financing district.

26 (b) If a tax increment financing district terminates prior to the certification of taxable values as
27 required in 15-10-202, the increment value is reported as newly taxable property in the year in which the tax
28 increment financing district terminates. If a tax increment financing district terminates after the certification of

1 taxable values as required in 15-10-202, the increment value is reported as newly taxable property in the
2 following tax year.

3 (c) For the purpose of subsection (3)(a)(ii), the value of newly taxable class four property that was
4 constructed, expanded, or remodeled property since the completion of the last reappraisal cycle is the current
5 year market value of that property less the previous year market value of that property.

6 (d) For the purpose of subsection (3)(a)(iv), the subdivision of real property includes the first sale
7 of real property that results in the property being taxable as class four property under 15-6-134 ~~or as~~
8 ~~nonqualified agricultural land as described in 15-6-133(1)(c).~~

9 (5) Subject to subsection (8), subsection (1)(a) does not apply to:

10 (a) school district levies established in Title 20; or

11 (b) a mill levy imposed for a newly created regional resource authority.

12 (6) For purposes of subsection (1)(a), taxes imposed do not include net or gross proceeds taxes
13 received under 15-6-131 and 15-6-132.

14 (7) In determining the maximum number of mills in subsection (1)(a), the governmental entity:

15 (a) may increase the number of mills to account for a decrease in reimbursements; and

16 (b) may not increase the number of mills to account for a loss of tax base because of legislative
17 action that is reimbursed under the provisions of 15-1-121(7).

18 (8) The department shall calculate, on a statewide basis, the number of mills to be imposed for
19 purposes of 15-10-109, 20-9-331, 20-9-333, 20-9-360, and 20-25-439. However, the number of mills calculated
20 by the department may not exceed the mill levy limits established in those sections. The mill calculation must
21 be established in tenths of mills. If the mill levy calculation does not result in an even tenth of a mill, then the
22 calculation must be rounded up to the nearest tenth of a mill.

23 (9)(a) The provisions of subsection (1) do not prevent or restrict:

24 (i) a judgment levy under 2-9-316, 7-6-4015, or 7-7-2202;

25 (ii) a levy to repay taxes paid under protest as provided in 15-1-402;

26 (iii) an emergency levy authorized under 10-3-405, 20-9-168, or 20-15-326;

27 (iv) a levy for the support of a study commission under 7-3-184;

28 (v) a levy for the support of a newly established regional resource authority;

1 (vi) the portion that is the amount in excess of the base contribution of a governmental entity's
2 property tax levy for contributions for group benefits excluded under 2-9-212 or 2-18-703;

3 (vii) a levy for reimbursing a county for costs incurred in transferring property records to an
4 adjoining county under 7-2-2807 upon relocation of a county boundary;

5 (viii) a levy used to fund the sheriffs' retirement system under 19-7-404(3)(b); or

6 (ix) a governmental entity from levying mills for the support of an airport authority in existence prior
7 to May 7, 2019, regardless of the amount of the levy imposed for the support of the airport authority in the past.
8 The levy under this subsection (9)(a)(ix) is limited to the amount in the resolution creating the authority.

9 (b) A levy authorized under subsection (9)(a) may not be included in the amount of property taxes
10 actually assessed in a subsequent year.

11 (10) A governmental entity may levy mills for the support of airports as authorized in 67-10-402, 67-
12 11-301, or 67-11-302 even though the governmental entity has not imposed a levy for the airport or the airport
13 authority in either of the previous 2 years and the airport or airport authority has not been appropriated
14 operating funds by a county or municipality during that time.

15 (11) The department may adopt rules to implement this section. The rules may include a method for
16 calculating the percentage of change in valuation for purposes of determining the elimination of property, new
17 improvements, or newly taxable value in a governmental unit."

18

19 **Section 6.** Section 15-18-219, MCA, is amended to read:

20 **"15-18-219. Application for tax deed for residential property -- fee -- notice.** (1) (a) If a property
21 tax lien attached to the property provided for in subsection (1)(b) is not redeemed in the time allowed under 15-
22 18-111, the assignee may file an application after the redemption period has expired with the county treasurer
23 for a tax deed for the property. The tax deed application must contain the same information as is required in 15-
24 18-211(1). The county treasurer shall charge the assignee a \$25 application fee. The fee must be deposited in
25 the county general fund.

26 (b) The following property is subject to the provisions of this section if it contains a dwelling that is
27 currently occupied by the legal titleholder of record:

28 (i) land classified as residential pursuant to 15-6-134;

1 (ii) land classified as agricultural pursuant to 15-6-133(1)(a) ~~and (1)(e)~~; and

2 (iii) land classified as forest property pursuant to 15-6-143.

3 (c) For the property provided for in subsection (1)(b)(ii) and (1)(b)(iii), the provisions of this section
4 also apply to other property of the same class that is included on the same tax bill.

5 (2) An assignee who applies for a tax deed pursuant to this section shall pay the county treasurer
6 at the time of the tax deed application:

7 (a) the amount required to redeem any unassigned tax liens or tax liens held by other assignees;

8 (b) any delinquent taxes, penalties, and interest; and

9 (c) current taxes due for the property.

10 (3)(a) The county treasurer shall have the county clerk and recorder file a notice of the tax deed
11 application.

12 (b) A person acquiring an interest in the property after the tax deed application notice has been
13 filed is considered to be on notice of the pending tax deed auction, and no additional notice is required. The
14 sale at auction of the property automatically releases any filed notice of tax deed application for the property.

15 (c) If the property is redeemed, the county treasurer shall file a redemption certificate, which
16 releases the notice of tax deed application.

17 (4)(a) Between May 1 and May 30 of the year in which the redemption period expires, an assignee
18 applying for a tax deed shall notify the parties as required in subsection (4)(b) that a tax deed will be auctioned
19 unless the property tax lien is redeemed before the date of the auction.

20 (b) The notice required under subsection (4)(a) must be made by certified mail, return receipt
21 requested, in the form required by 15-18-215 and as provided in 7-1-2121, to the current occupant, if any, of the
22 property and to each party, other than a utility, listed on a litigation guarantee, provided that the guarantee:

23 (i) has been approved by the insurance commissioner and issued by a licensed title insurance
24 producer;

25 (ii) was ordered on the property by the person required to give notice; and

26 (iii) lists the identities and addresses of the parties of record that have an interest or possible claim
27 of an interest in the property designed to disclose all parties of record that would otherwise be necessary to
28 name in a quiet title action.

1 (c) The address to which the notice must be sent is, for each party, the address disclosed by the
2 records in the office of the county clerk and recorder or in the litigation guarantee and, for the occupant, the
3 street address or other known address of the subject property.

4 (5) The amount of interest and costs continues to accrue until the date of redemption. The total
5 amount of interest and costs that must be paid for redemption must be calculated by the county treasurer as of
6 the date of payment.

7 (6)(a) The county treasurer shall notify the assignee of the obligation to give notice under subsection
8 (4) between January 1 and January 31 of the year in which the redemption period expires. The notice of
9 obligation must be sent by certified mail, return receipt requested, to the assignee at the address contained on
10 the assignment certificate provided for in 15-17-323.

11 (b) If the assignee fails to give notice as required by subsection (4), as evidenced by failure to file
12 proof of notice with the county clerk and recorder as required in subsection (6)(c), the county treasurer shall
13 cancel the property tax lien evidenced by the tax lien certificate and the assignment certificate. Upon
14 cancellation of the property tax lien, the county treasurer shall file with the county clerk and recorder a notice of
15 cancellation on a form provided for in 15-18-217.

16 (c) Proof of notice must be given as provided in 15-18-216 and must be filed with the county clerk
17 and recorder. An assignee must file proof of notice with the county clerk and recorder within 30 days of the
18 mailing or publishing of the notice. Once filed, the proof of notice is prima facie evidence of the sufficiency of
19 the notice."
20

21 **Section 7.** Section 15-30-2660, MCA, is amended to read:

22 **"15-30-2660. (Temporary) Taxpayer integrity fees.** (1) (a) The department shall assess a fee as
23 provided in subsection (2) for a taxpayer who is a participant in the Montana Health and Economic Livelihood
24 Partnership Act provided for in Title 53, chapter 6, part 13, and Title 39, chapter 12, and owns:

25 (i) equity in real property or improvements to real property, or both, that exceeds the limit
26 established for homesteads under 70-32-104 by \$5,000 or more, if the real property is not agricultural land;

27 (ii) more than one light vehicle when the combined depreciated value of the manufacturer's
28 suggested retail price totals \$20,000 or more and the participant's equity in the vehicles exceeds that combined

1 depreciated value by \$5,000 or more; or

2 (iii) agricultural land with a taxable value in excess of \$1,500 a year.

3 (b) For the purposes of subsection (1)(a):

4 (i) "real property or improvements to real property" does not include property held in trust by the
5 United States for the benefit of a Montana federally recognized Indian tribe; and

6 (ii) the depreciated value of the manufacturer's suggested retail price must be computed as
7 provided in 61-3-503(2).

8 (2) The fee is \$100 a month plus an amount equal to an additional \$4 a month for:

9 (a) each \$1,000 in equity value above the limits established in subsections (1)(a)(i) and (1)(a)(ii);

10 and

11 (b) each \$100 of taxable value in agricultural land above \$1,500.

12 (3)(a) The department shall assess a fee for an entity organized under 26 U.S.C. 501(d) and subject
13 to taxes as provided in Title 15, chapter 31, if the entity has members who are receiving medicaid coverage
14 under Title 53, chapter 6, part 13.

15 (b) The fee is equal to the state's share of the average annual cost per program participant, as
16 defined in 53-6-1303, multiplied by the number of individuals in the 26 U.S.C. 501(d) organization who are
17 receiving medicaid coverage because they are eligible under 53-6-1304, less the total annual amount the
18 entity's members have paid in premiums.

19 (4)(a) For the purposes of calculating the fee required under subsection (3), the department of public
20 health and human services shall provide the department of revenue by February 1 of each year with:

21 (i) the percentage of medicaid claims costs of program participants for which the state was
22 responsible in the previous calendar year; and

23 (ii) the average annual cost of medical claims for program participants in the previous calendar
24 year.

25 (b) The department of public health and human services shall post the average annual cost for a
26 program participant on the department's website by February 15 of each year.

27 (5) An organization shall pay the fee provided for in subsection (3) as follows:

28 (a) on or before the last day of each month, the organization shall pay an estimated fee equal to

1 one-twelfth of the most recently published annual cost per program participant; and

2 (b) on or before April 15 of each year, the organization shall report and pay any additional amount
3 owed for the prior year or request a refund of any overpayment made in the prior year.

4 (6)(a) The department of public health and human services shall provide the department of revenue
5 with the names of program participants and other necessary information to assist the department of revenue in
6 administering and enforcing this section.

7 (b) The department of justice shall provide the department of revenue with vehicle registration
8 information for the administration of this section.

9 (7) Fees collected pursuant to this section must be deposited in the Montana HELP Act special
10 revenue account provided for in 53-6-1315.

11 (8) A fee remains until paid and may be collected through assessments against future income tax
12 returns or through a civil action initiated by the state.

13 (9) For the purposes of this section, the following definitions apply:

14 (a)(i) "Agricultural land" means agricultural land as described in 15-7-202 that is taxed as class three
15 property at the rate provided in 15-6-133.

16 (ii) The term does not include:

17 ~~(A) parcels of land that are considered nonqualified agricultural land as provided in 15-6-133(1)(c);~~

18 ~~(B)(A)~~ improvements to real property; or

19 ~~(C)(B)~~ land held in trust by the United States for the benefit of a Montana federally recognized Indian
20 tribe.

21 (b) "Light vehicle" has the meaning provided in 61-1-101.

22 (c) "Manufacturer's suggested retail price" has the meaning provided in 61-3-503(3). (Terminates
23 June 30, 2025--secs. 38, 48, Ch. 415, L. 2019.)"

24

25 **NEW SECTION. Section 8. Effective date.** [This act] is effective January 1, 2027.

26

27 **NEW SECTION. Section 9. Applicability.** [This act] applies to tax years beginning after December
28 31, 2026.

DRAFT