



**MONTANA
ADMINISTRATIVE
REGISTER**



DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULEMAKING

MAR NOTICE NO. 2025-21.1

Summary

Amendment of ARM 42.20.675(3) to update agricultural productivity value for bushels of spring wheat for the 2025-2026 reappraisal cycle

No Hearing Scheduled

If the agency receives requests for a public hearing on the proposed rulemaking from either 10 percent or 25, whichever is less, of the persons directly affected by the proposed rulemaking; from the appropriate administrative rule review committee of the Legislature; from a governmental subdivision or agency; or from an association having not less than 25 members who will be directly affected, a hearing will be held at a later date. Notice of the hearing will be published in the Montana Administrative Register.

The estimated number of persons directly affected by the proposed rulemaking is 79,000.

Comments

Concerned persons may submit their data, views, or arguments concerning the proposed action in writing to the contact person in this notice. Comments must be received no later than 5:00 p.m., March 10, 2025.

If persons who are directly affected by the proposed action wish to express their data, views, or arguments orally or in writing at a public hearing, they must make written request for a hearing and submit this request along with any written comments to the contact person in this notice. Requests must be received no later than 5:00 p.m., March 10, 2025.

Accommodations

The agency will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. Requests must be made no later than 5:00 p.m., February 14, 2025.

Contact

Todd Olson, Rule Reviewer - Department of Revenue, Legal Services Office
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Rulemaking Actions

AMEND

The rule proposed to be amended is as follows, stricken matter interlined, new matter underlined:

42.20.675 IRRIGATED AGRICULTURAL FARM LAND VALUATION

- (1) The department calculates productivity per acre values for irrigated farm land using the formula provided in 15-7-201, MCA. However, the department applies the formula per industry standard as $I/R=V$.
- (2) The department calculates net income per acre (I) by:
 - (a) multiplying the land's soil productivity by the average commodity price provided in ARM 42.20.681 to determine the gross income per acre;
 - (b) multiplying the gross income per acre by the land owner's typical crop share percentage for irrigated farm land which is 25%; and
 - (c) subtracting the \$50.00 allowable water cost per acre of irrigated farm land from the value determined in (2)(b).
- (3) The department calculates the minimum value of irrigated farm land by determining net income per acre (I) by:
 - (a) multiplying a productivity of ~~23~~21 bushels of spring wheat per acre by the commodity price provided in ARM 42.20.681 to determine gross income per acre; and
 - (b) multiplying the gross income per acre by the land owner's typical crop share percentage for non-irrigated continuously cropped farm land which is 25%.

- (4) Pursuant to 15-7-201, MCA, the department assigns the irrigated farm land the higher per acre value as calculated in (2) and (3).

Authorizing statute(s): 15-1-201, MCA

Implementing statute(s): 15-7-103, 15-7-201, MCA

Reasonable Necessity Statement

The department proposes to amend ARM 42.20.675(3)(a) with the current production data for the base period obtained from the Montana Agricultural Statistics which is used for valuing agricultural lands in the upcoming reappraisal cycle. The department's use of the Montana Agricultural Statistics as its data source is required by 15-7-201, MCA.

The department inadvertently omitted this necessary amendment when agricultural commodity prices and values were proposed under MAR Notice No. 42-1087 during the fourth quarter of 2024. The department apologizes for the oversight.

Small Business Impact

Pursuant to 2-4-111, MCA, the agency has determined that the rule changes proposed in this notice will not have a significant and direct impact upon small businesses.

Bill Sponsor Notification

The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

Interested Persons

The department maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request that includes the name, email, and mailing address of the person to receive notices and specifies for which program the person wishes to receive notices. Notices will be sent by e-mail unless a different mailing preference is noted in the request. A written request may be mailed or delivered to the contact person in this notice or may be made by completing a request form at any rules hearing held by the department.

Rule Reviewer

Todd Olson

Approval

Brendan Beatty, Director of Revenue