



ADMINISTRATIVE RULES OF MONTANA

42.20.620 APPLICATION AND CLASSIFICATION REQUIREMENTS FOR AGRICULTURAL LAND TOTALING LESS THAN 160 ACRES

- (1) Multiple parcels of land totaling less than 160 acres, both contiguous and noncontiguous, under one ownership, actively devoted to agricultural use and part of a bona fide agricultural operation may be classified as agricultural land for the current tax year if the property owner submits an Agricultural Land Classification Application (application) to the department by March 1 and the land meets all of the production and income requirements provided in this rule, ARM 42.20.682, and ARM 42.20.683 for agricultural land classification. The department's application review process may include a field evaluation, additional information requests, and will conclude with the approval or denial of an application.
- (2) A person who owns contiguous parcels of land deeded in non-identical names may file an affidavit with the department attesting that the names are one and the same person, for the department's determination of under one ownership.
- (3) Noncontiguous parcels of land that are an integral part of the agricultural operation may combine agricultural production income and livestock carrying capacity of the parcels of land to meet agricultural land classification requirements. Each noncontiguous parcel of land that is not part of a larger agricultural operation, must individually meet the agricultural land classification requirements set forth in this rule.
- (4) The land must produce an agricultural product provided under the term "agricultural" found in 15-1-101, MCA.
- (5) The property owner must submit documentation to verify \$1,500 annual gross income or more in sales of agricultural products, other than livestock, marketed by the property owner, the property owner's family members, or the property owner's agent, employee, or lessee. Acceptable income documentation includes:
 - (a) sales receipts, cancelled checks, copies of income tax statements, or other written evidence of sales transactions;
 - (b) annual rental or lease payments of at least \$1,500, if the land is in an agricultural use and capable of sustaining that agricultural use; or
 - (c) annual rental payments of at least \$1,500, from the CRP or a similar program.
- (6) For parcels of land under 20 acres, (5)(b) and (c) are not considered eligible agricultural income sources.
- (7) Land used to raise livestock must have the capacity to produce forage based on the United States Department of Agriculture, Natural Resources and Conservation Service (NRCS), soil survey to

support a minimum carrying capacity expressed in animal unit months, as provided in 15-7-201, MCA, and ARM 42.20.681. The department calculates the carrying capacity for:

- (a) non-irrigated native grazing land from the NRCS soil survey information;
 - (b) non-irrigated domestic grazing land by increasing the estimated non-irrigated native grazing land carrying capacity in (a) by 50 percent; and
 - (c) grazing land from site-specific and pertinent information provided by the property owner.
- (8) For land other than grazing land used to raise crops for consumption by livestock, poultry, or other animals in the agricultural operation rather than for market, the property owner must prove that the land produced the annual equivalent of \$1,500 in gross agricultural income from these crops. Income documentation must include a written record of the weight or quantity of agricultural crop produced and the current commodity price. The crop value is determined by multiplying the quantity by the commodity price. Receipts from the sales of agricultural products from livestock, domestic animals, and wildlife, provided in 15-1-101, MCA, are not eligible for meeting the \$1,500 annual gross income requirement but may be submitted to prove a commercial purpose of operation.
- (9) Non-irrigated summer fallow farmland must meet the income requirements in (5) and (6) in the year it is cropped.
- (10) Annual gross income documentation from the prior year may be submitted if:
- (a) the land experienced a production failure in the current year that was beyond the control of the property owner from drought, fire, hail, insect infestation, frost, flood, or excessive rain. The department does not allow the results of overgrazing and other management practices as sources of production failure;
 - (b) the property owner; the property owner's family members; or the property owner's agent, employee, or lessee delayed marketing agricultural products they grew, raised, or produced from the land, to take advantage of future economic conditions. The marketing delay must not exceed 12 months from the initial date of application for agricultural land classification.
- (11) Land previously classified as agricultural land or nonqualified agricultural land in a prior year which is now reduced to less than 20 acres as the result of eminent domain, authorized under 70-30-102, MCA, maintains its classification unless the land has been further divided or is devoted to a residential, commercial, or industrial use, as provided in 15-7-202, MCA. The property owner must notify the department of the land's eligibility to maintain its agricultural land classification by submitting a Request for Informal Classification and Appraisal Review, Form AB-26.
- (12) For land less than 20 acres under one ownership with a portion of the land classified as forest land, the remainder of the acres are classified as agricultural land if the land meets the requirements of agricultural land classification.
- (13) The department may change an agricultural land classification if the:
- (a) property changes ownership;
 - (b) property is subdivided; or
 - (c) department believes the property no longer meets the agricultural land requirements provided in the subchapter.

- (14) Land classified as agricultural land will remain classified as agricultural land until the department determines the land use has changed.
- (15) If the property owner disagrees with the department's reclassification action, the owner must submit an Agricultural Land Classification Application, within 30 days of the date on their reclassification notification.
- (16) If a property owner owns personal property related to the bona fide agricultural operation, and the market value of the personal property is above the threshold provided in 15-6-138, MCA, then the property owner must submit to the department each year a completed personal property reporting form in accordance with the requirements provided in 15-8-301, MCA, and ARM 42.21.158.

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

Implementing statute(s): 15-6-133, 15-7-102, 15-7-201, 15-7-202, 15-7-203, 15-7-206, 15-7-207, 15-7-208, 15-7-209, 15-7-210, 15-7-212, MCA

History: NEW, 1985 MAR p. 2025, Eff. 1/1/86; AMD, 1991 MAR p. 2042, Eff. 11/1/91; AMD, 1993 MAR p. 3048, Eff. 12/24/93; AMD, 1996 MAR p. 1172, Eff. 4/26/96; AMD, 1997 MAR p. 1827, Eff. 10/7/97; AMD and TRANS, from ARM 42.20.147, 2003 MAR p. 1888, Eff. 8/29/03; AMD, 2004 MAR p. 2106, Eff. 9/3/04; AMD, 2004 MAR p. 3160, Eff. 12/17/04; AMD, 2006 MAR p. 3103, Eff. 12/22/06; AMD, 2008 MAR p. 1822, Eff. 8/29/08; AMD, 2010 MAR p. 549, Eff. 2/26/10; AMD, 2014 MAR p. 2994, Eff. 12/12/14; AMD, 2015 MAR p. 2350, Eff. 1/1/16; AMD, 2017 MAR p. 2198, Eff. 11/25/17; AMD, 2020 MAR p. 1881, Eff. 10/24/20.