

SENATE BILL NO. 496

INTRODUCED BY A. CURTISS

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4 A BILL FOR AN ACT ENTITLED: "AN ACT SUBMITTING TO THE QUALIFIED ELECTORS OF MONTANA AN
5 AMENDMENT TO ARTICLE VIII, SECTION 3, OF THE MONTANA CONSTITUTION AUTHORIZING THE
6 VALUATION OF PROPERTY FOR PROPERTY TAX PURPOSES TO BE BASED ON PRODUCTIVE OR
7 ACQUISITION VALUE; LIMITING VALUATION INCREASES TO 2 PERCENT OR THE RATE OF INFLATION,
8 WHICHEVER IS LESS; PROVIDING THAT RESIDENTS 55 YEARS OF AGE OR OLDER MAY CARRY
9 FORWARD THE VALUATION OF THEIR PRIOR RESIDENCE TO A NEW RESIDENCE; PROVIDING A LIMIT
10 ON THE VALUATION ON RESIDENCES OF FIRST-TIME HOME BUYERS; REQUIRING THAT VALUATIONS
11 DECREASE WHEN PROPERTY VALUES DECREASE; AND PROVIDING AN EFFECTIVE DATE."

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

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15 **Section 1.** Article VIII, section 3, of The Constitution of the State of Montana is amended to read:

16 **"Section 3. Property tax administration -- valuation.** The state shall appraise, assess, and equalize
17 the valuation of all property which is to be taxed in the manner provided by law. Equalization may include
18 valuation based upon the property's productive or acquisition value. A property's value in a class valued by
19 acquisition value may be adjusted annually in a method set by the legislature, but not to exceed 2 percent or the
20 rate of inflation, whichever is less, as long as the property does not change ownership or the property is not
21 improved or otherwise changed. In the manner provided by law:

22 (1) residents 55 years of age or older may carry forward the valuation of a prior residence to a new
23 residence if the new residence's acquisition cost does not exceed the prior residence's sale price;

24 (2) the valuation for residences of first-time home buyers may not exceed 70 percent of the acquisition
25 cost for the first year and the valuation shall be increased to 100 percent of acquisition cost over at least six
26 years;

27 (3) valuations must decrease when property values decrease; and

28 (4) the legislature may provide other adjustments that the legislature considers appropriate consistent
29 with this section."

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