

## 1 SENATE BILL NO. 412

2 INTRODUCED BY S. AUGARE

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A TEMPORARY TAX EXEMPTION FOR PROPERTY  
5 OWNED BY A FEDERALLY RECOGNIZED MONTANA INDIAN TRIBE WHEN THE PROPERTY HAS A  
6 FEDERAL TRUST APPLICATION PENDING; PROVIDING THAT EXISTING TAX LIENS ARE NOT  
7 EXTINGUISHED; PROVIDING RULEMAKING AUTHORITY; AND PROVIDING A DELAYED EFFECTIVE DATE."

8

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

10

11 NEW SECTION. **Section 1. Temporary exemption.** (1) Subject to subsection (2), property owned in  
12 fee by a federally recognized Indian tribe located within the boundaries of the state of Montana is temporarily  
13 exempt from taxation on January 1 after the following conditions are met:

14 (a) the United States department of the interior, bureau of Indian affairs, has determined that the initial  
15 written request or trust application submitted by the tribe is complete; and

16 (b) the tribe has submitted a timely property tax exemption application to the department and the  
17 department has approved the tribe's exemption application.

18 (2) The temporary exemption applies only for the timeframe during which a decision on the trust  
19 application is officially pending before the United States department of interior, bureau of Indian affairs, but the  
20 exemption may not exceed a period of 5 years and ceases earlier if the United States denies the trust application.

21 (3) For tax years following the department's approval of the exemption, the tribe shall annually certify  
22 to the Department that the trust application is still under consideration by the United States department of interior,  
23 bureau of Indian affairs, and has not been denied. The exemption applies only for tax years for which the  
24 department has received a timely certification from the affected tribe.

25 (4) If a trust application has been denied, the temporary exemption expires on December 31 of the year  
26 in which the trust application was denied. The temporary exemption is no longer available for property associated  
27 with a trust application that has been denied.

28 (5) If the United States takes tribally owned property out of trust, the property is subject to tax as  
29 otherwise provided by federal and state law.

30

1            NEW SECTION. **Section 2. Rulemaking authority.** The department may adopt rules to implement the  
2 provisions of [section 1].

3  
4            NEW SECTION. **Section 3. Existing tax liens not extinguished.** [This act] does not extinguish existing  
5 property taxes, including but not limited to taxes due and owing, delinquent taxes, tax liens, or tax deeds on  
6 property.

7  
8            NEW SECTION. **Section 4. Notification to tribal governments.** The secretary of state shall send a  
9 copy of [this act] to each tribal government located on the seven Montana reservations and to the Little Shell  
10 Chippewa tribe.

11  
12            NEW SECTION. **Section 5. Codification instruction.** [Sections 1 and 2] are intended to be codified  
13 as an integral part of Title 15, chapter 6, part 2, and the provisions of Title 15, chapter 6, part 2, apply to [sections  
14 1 and 2].

15

16            NEW SECTION. **Section 6. Effective date.** [This act] is effective January 1, 2012.

17

- END -