

1 _____ BILL NO. _____

2 INTRODUCED BY _____
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR A PROPERTY TAX EXEMPTION FOR
5 CERTAIN RESIDENTIAL PROPERTY OCCUPIED BY THE OWNER AS A PRIMARY RESIDENCE;
6 PROVIDING DEFINITIONS; AND PROVIDING AN APPLICABILITY DATE."

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8 WHEREAS, property values are rising at unprecedented levels; and
9 WHEREAS, providing an exemption for increases in home values will keep homes affordable.

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

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13 NEW SECTION. **Section 1. Exemption for residential property occupied by owner -- exception.**

14 (1) There is an exemption for class four residential property occupied by the applicant as a primary residence
15 as provided in this section.

16 (2) (a) Except as provided in subsection (2)(b), the exemption is equal to the amount by which the
17 market value in the tax year exceeds the market value on January 1, 2021.

18 (b) There is no exemption allowed under this section:

19 (i) if the property is sold to someone other than an immediate family member; or

20 (ii) if there is new construction, remodeling, or reclassification of the property.

21 (3) (a) An exemption application must be filed by March 1 of the tax year for which the exemption is
22 sought, on an application form provided by the department. After an exemption is approved, the applicant
23 remains eligible for the exemption for the remainder of the 2-year valuation cycle provided for in 15-7-111 as
24 long as the property is continually used as a primary residence by the applicant. An applicant who does not
25 apply for assistance during the first year of the valuation cycle may apply during the second year of the cycle.

26 (b) The application form must contain:

27 (i) an affirmation that the applicant owns and maintains the land and improvements as the primary
28 residence; and

- 1 (ii) any other information required by the department that is relevant to the applicant's eligibility.
- 2 (c) When providing information to the department for qualification under this section, applicants are
- 3 subject to the false swearing penalties established in 45-7-202.
- 4 (d) The department may investigate the information provided in an application and an applicant's
- 5 continued eligibility.
- 6 (e) The department may request applicant verification of the primary residence.
- 7 (4) For the purposes of this section:
- 8 (a) "Immediate family member" means a spouse, parents, children, grandchildren, brothers, or sisters.
- 9 (b) "Primary residence" means a single-family dwelling:
- 10 (i) in which an applicant can demonstrate the applicant lived for at least 7 months of the year in which
- 11 the exemption is claimed;
- 12 (ii) that is the only residence for which the exemption claimed in this section is claimed by the
- 13 applicant; and
- 14 (iii) that is owned or under contract for deed by the applicant.
- 15 (c) "Single-family dwelling" means a residential dwelling, manufactured home, trailer, or mobile home
- 16 and as much of the surrounding land, but not in excess of 5 acres, as is reasonably necessary for its use as a
- 17 dwelling.

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19 **NEW SECTION. Section 2. Codification instruction.** [Section 1] is intended to be codified as an

20 integral part of Title 15, chapter 6, part 2, and the provisions of Title 15, chapter 6, part 2, apply to [section 1].

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22 **NEW SECTION. Section 3. Applicability.** [This act] applies to property tax years beginning after

23 December 31, 2021.

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