

1 \_\_\_\_\_ BILL NO. \_\_\_\_\_

2 INTRODUCED BY \_\_\_\_\_  
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING THE TEMPORARY PROPERTY TAX  
5 EXEMPTION FOR TRIBAL PROPERTY; REQUIRING THE DEPARTMENT OF REVENUE TO NOTIFY THE  
6 COUNTY IN WHICH THE PROPERTY IS LOCATED OF THE EXEMPTION APPLICATION AND APPROVAL  
7 OF THE EXEMPTION; PROVIDING FOR RECAPTURE OF TAXES IF THE TRUST APPLICATION IS DENIED  
8 OR NOT APPROVED WITHIN 5 YEARS; EXPANDING RULEMAKING AUTHORITY; AMENDING SECTION  
9 15-6-230, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

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13 **Section 1.** Section 15-6-230, MCA, is amended to read:

14 **"15-6-230. Temporary exemption for certain tribal property -- rulemaking.** (1) Subject to  
15 ~~subsection-subsections~~ (2) and (3), property owned in fee by a federally recognized Indian tribe located within  
16 the boundaries of the state of Montana is temporarily exempt from taxation on January 1 after the following  
17 conditions are met:

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

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

22 (2) Prior to approving the exemption application, the department shall notify the county in which the  
23 property is located. On approval of an exemption pursuant to this section, the department shall provide the  
24 approved application to the county in which the property is located.

25 ~~(2)~~(3) The temporary exemption applies only for the timeframe during which a decision on the trust  
26 application is officially pending before the United States department of interior, bureau of Indian affairs, but the  
27 exemption may not exceed a period of 5 years and ceases earlier if the United States denies the trust  
28 application.

1           ~~(3)~~(4) For tax years following the department's approval of the exemption, the tribe shall annually  
 2 certify to the department that the trust application is still under consideration by the United States department of  
 3 interior, bureau of Indian affairs, and has not been denied. The exemption applies only for tax years for which  
 4 the department has received a timely certification from the affected tribe. The department shall provide the  
 5 annual certification to the county in which the property is located.

6           ~~(4)~~(5) If a trust application has been denied, the temporary exemption expires on December 31 of the  
 7 year in which the trust application was denied. The temporary exemption is no longer available for property  
 8 associated with a trust application that has been denied.

9           (6) (a) Property for which a trust application is denied or for which the 5-year exemption period  
 10 expires and the trust application remains pending before the United States department of the interior, bureau of  
 11 Indian affairs, is subject to a recapture of property taxes. The recaptured tax is equal to the tax that would have  
 12 been assessed using the tax rates, the mill levies, and the appraised value for each year in which the property  
 13 was exempt under this section. The department shall provide the taxable value to the county treasurer for  
 14 collection of taxes subject to recapture.

15           (b) The department shall continue to appraise property granted an exemption under this section until  
 16 a trust application is approved by the United States department of the interior, bureau of Indian affairs. The  
 17 appraised value is only for use for calculating the recapture provided for in this section and may not be included  
 18 in the taxable value provided to taxing jurisdictions.

19           ~~(5)~~(7) If the United States takes tribally owned property out of trust, the property is subject to tax as  
 20 otherwise provided by federal and state law.

21           ~~(6)~~(8) The department may adopt rules to implement the provisions of this section."  
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23           NEW SECTION. Section 2. Notification to tribal governments. The secretary of state shall send a  
 24 copy of [this act] to each federally recognized tribal government in Montana.

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 26           NEW SECTION. Section 3. Effective date. [This act] is effective on passage and approval.  
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28           NEW SECTION. Section 4. Applicability. [This act] applies to applications for exemption received

1 on or after [the effective date of this act].

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