

SENATE BILL NO. 255
INTRODUCED BY B. DEPRATU

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

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

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

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

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

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

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

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

NEW SECTION. **Section 2. Effective date.** If approved by the electorate, this amendment is effective

January 1, 2005.

NEW SECTION. **Section 3. Submission to electorate.** This amendment shall be submitted to the qualified electors of Montana at the general election to be held in November 2004 by printing on the ballot the full title of this act and the following:

- ☐ FOR allowing acquisition value for property tax valuations, limiting increases in valuation, and providing elderly and first-time home buyer protection.
- ☐ AGAINST allowing acquisition value for property tax valuations, limiting increases in valuation, and providing elderly and first-time home buyer protection.

- END -