

HOUSE BILL NO. 224

INTRODUCED BY T. JACOBSON, E. BUTTREY, J. ESSMANN, G. PIERSON

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT THE PROPERTY TAX EXEMPTION FOR VETERANS' ORGANIZATIONS EXTENDS TO PROPERTY RENTED, LEASED, OR USED BY THE ORGANIZATION; AMENDING SECTION 15-6-203, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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

Section 1. Section 15-6-203, MCA, is amended to read:

"15-6-203. Veterans' exemptions -- clubhouse -- land -- incompetent veterans' trusts. (1) (a) ~~A~~

~~THERE IS AN EXEMPTION FROM TAXATION FOR A~~ clubhouse, building, or land ~~erected, owned, rented, leased, or used~~
PRIMARILY:

(i) ~~by or belonging to~~ any society or organization of honorably discharged United States military personnel; ~~AND that is used primarily~~

(ii) for educational, fraternal, benevolent, or purely public charitable purposes rather than for gain or profit ~~is exempt from taxation.~~

(b) The clubhouse or building exemption provided for in this section applies:

(i) to the personal property necessarily used in the building; and

(ii) even if a business, intended primarily for the use of the members, is required to be open to the public and is operated in a portion of the building.

(c) The land exemption provided for in this section applies only to land ~~owned~~ used by the society or organization continuously since January 1, 1960.

(D) IF PROPERTY EXEMPT UNDER THIS SUBSECTION (1) IS OWNED BY SOMEONE OTHER THAN THE SOCIETY OR ORGANIZATION, THE SAVINGS FROM THE PROPERTY TAX EXEMPTION MUST BE REALIZED BY THE SOCIETY OR ORGANIZATION.

(2) All property, real or personal, in the possession of legal guardians of incompetent veterans of U.S. military service or minor dependents of the veterans, when the property is funds or derived from funds received from the United States as pension, compensation, insurance, adjusted compensation, or gratuity, is exempt from

1 all taxation as property of the United States while held by the guardian, but not after title passes to the veteran
2 or minor in the minor's own right on account of removal of legal disability."

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4 NEW SECTION. **Section 2. Effective date.** [This act] is effective on passage and approval.

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6 NEW SECTION. **Section 3. Retroactive applicability.** [This act] applies retroactively, within the
7 meaning of 1-2-109, to tax years beginning after December 31, 2016.

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