

HOUSE BILL NO. 554

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A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING ELIGIBILITY FOR PROPERTY TAX ASSISTANCE
PROGRAMS; AMENDING SECTION 15-6-301, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 15-6-301, MCA, is amended to read:

"15-6-301. Definitions. As used in this part, the following definitions apply:

(1) "Annual verification" means the use of a process to:

- (a) verify an applicant's income;
- (b) approve, renew, or deny benefits for the current year based upon the applicant's eligibility; and
- (c) terminate participation based upon death or loss of status as a qualified veteran or veteran's spouse.

(2) "PCE" means the implicit price deflator for personal consumption expenditures as published quarterly in the survey of current business by the bureau of economic analysis of the U.S. department of commerce.

(3) "PCE inflation factor" for a tax year means the PCE for April of the prior tax year before the tax year divided by the PCE for April 2015.

(4) (a) "Primary residence" is, subject to the provisions of subsection (4)(b), a dwelling:

- (i) in which a taxpayer can demonstrate the taxpayer lived for at least 7 months of the year for which benefits are claimed;
- (ii) that is the only residence for which property tax assistance is claimed; and
- (iii) determined using the indicators provided for in the rules authorized by 15-6-302(2).

(b) A primary residence may include more than one dwelling when the taxpayer resides in one dwelling for less than 7 months during the tax year and another dwelling for less than 7 months of the same tax year, but lives taxpayer's combined residence in the dwellings for more than is at least 7 months of the tax year.

(5) "Qualified veteran" means a veteran:

- (a) who was killed while on active duty or died as a result of a service-connected disability; or

1 (b) if living:

2 (i) was honorably discharged from active service in any branch of the armed services; and

3 (ii) is currently rated 100% disabled or is paid at the 100% disabled rate by the U.S. department of
4 veterans affairs for a service-connected disability, as verified by official documentation from the U.S. department
5 of veterans affairs.

6 (6) "Qualifying income" means:

7 (a) the federal adjusted gross income excluding capital and income losses of an applicant and the
8 applicant's spouse as calculated on the Montana income tax return for the prior year;

9 (b) for assistance under ~~15-6-305~~ ~~[15-6-311]~~ 15-6-311, the federal adjusted gross income excluding
10 capital and income losses of an applicant as calculated on the Montana income tax return for the prior tax year;
11 or

12 (c) for an applicant who is not required to file a Montana income tax return, the income determined using
13 available income information.

14 (7) "Qualifying property" means a primary residence that a qualified applicant owned and occupied for
15 at least 7 months during the tax year.

16 ~~(7)~~(8) "Residential real property" means the land and improvements of a taxpayer's primary residence."
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18 **NEW SECTION. Section 2. Time period for property tax assistance.** (1) A person who qualifies for
19 assistance under 15-6-305 or 15-6-311 is entitled to assistance as provided for in this section.

20 (2) The property tax assistance is provided for the full tax year:

21 (a) in the first year in which the applicant qualifies for assistance if the applicant resides in the qualifying
22 property for the remainder of the tax year;

23 (b) if the applicant resides in the qualifying property for the full tax year;

24 (c) for qualifying property owned by an applicant at the time the tax roll is provided to the county treasurer
25 for billing if 15-6-301(4)(b) applies.

26 (3) If an applicant who qualifies for assistance sells the qualifying property and does not purchase a new
27 residence during the tax year, the assistance is provided for the number of days the taxpayer owned the
28 qualifying property during the tax year based on the date of sale.

29 (4) ~~A~~ (A) EXCEPT AS PROVIDED IN SUBSECTION (4)(B), A person who purchases a qualifying property is not
30 entitled to assistance for the partial tax year during which the person owns the property. The property must be

1 assessed at the full tax rate for the portion of the year the person owns the property based on the date of sale.

2 (B) IF THE SALE DATE IS AFTER THE COUNTY TREASURER SENDS THE TAX NOTICE PROVIDED FOR IN
3 15-16-101(2), THE TAX NOTICE MAY NOT BE REVISED BASED ON THE CHANGE IN OWNERSHIP.

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5 NEW SECTION. Section 3. Codification instruction. [Section 2] is intended to be codified as an
6 integral part of Title 15, chapter 6, part 3, and the provisions of Title 15, chapter 6, part 3, apply to [section 2].

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

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