

SENATE BILL NO. 244

INTRODUCED BY R. WEBB

1
2
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT EXEMPTING A PORTION OF THE MARKET VALUE OF CERTAIN
5 OWNER-OCCUPIED RESIDENTIAL PROPERTY FROM PROPERTY TAXES; PROVIDING DEFINITIONS;
6 PROVIDING THAT THE HOMESTEAD EXEMPTION APPLIES TO THE FIRST \$100,000 OR LESS OF MARKET
7 VALUE; ESTABLISHING ELIGIBILITY REQUIREMENTS; REQUIRING THAT A TAXPAYER FILE AN
8 APPLICATION TO RECEIVE THE HOMESTEAD PROPERTY TAX EXEMPTION; PROVIDING THAT THE
9 LIMITATION ON INCREASED PROPERTY TAXES DOES NOT APPLY TO SPECIAL IMPROVEMENT
10 DISTRICT ASSESSMENTS AND TAXES LEVIED FOR STATE EDUCATIONAL PURPOSES; AND PROVIDING
11 AN APPLICABILITY DATE."

12
13 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
14

15 NEW SECTION. **Section 1. Definitions.** As used in [sections 1 through 3], the following definitions
16 apply:

17 (1) "Eligible person" means a property owner who uses the homestead property as the owner's principal
18 dwelling for at least 7 months a year and does not rent or lease the homestead property.

19 (2) (a) "Homestead property" means the owner-occupied, principal dwelling owned by the taxpayer and
20 the land, not exceeding 1 acre.

21 (b) If the dwelling consists of a mobile home, manufactured home, or housetrailer that is considered an
22 improvement under 15-1-101, then the homestead property is the mobile home, manufactured home, or
23 housetrailer and the land, not exceeding 1 acre.

24 (c) If the dwelling consists of a mobile home, manufactured home, or housetrailer that is not considered
25 an improvement under 15-1-101, then the homestead property is the land, not exceeding 1 acre.

26 (d) If the dwelling is located in a multiunit building, then the homestead property is the portion of the
27 building actually used as the principal dwelling and its percentage of the value of the common elements and of
28 the value of the land on which it is built. The percentage attributable to the unit is the value of the unit consisting
29 of the homestead property compared to the total value of the building, exclusive of any common elements. The
30 value of the land and common elements must be divided equally among the units.



- 1 (3) "Property taxes" means ad valorem taxes and other assessments, except:
 2 (a) an assessment for a special improvement district or a rural special improvement district; and
 3 (b) taxes levied for state educational purposes under 15-10-108, 20-9-331, 20-9-333, 20-9-360, and
 4 20-25-439.

5
 6 **NEW SECTION. Section 2. Exemption for certain class four residential property -- homestead**
 7 **property tax exemption.** (1) Subject to [section 3], the first \$100,000 or less of the market value of homestead
 8 property owned by an eligible person is exempt from property taxes. The homestead property tax exemption
 9 provided by this section is in addition to any other exemptions provided by law.

10 (2) This section does not require the spouse of an eligible person to file a claim jointly with the eligible
 11 person even though the spouse may be eligible to claim the homestead property tax exemption jointly with the
 12 eligible person.

13 (3) The exemption allowed by this section terminates on December 31 of any year in which:

- 14 (a) the owner of the homestead property who qualified for the property tax exemption is not using the
 15 homestead property as the principal dwelling;
 16 (b) the owner of the homestead property does not qualify for the exemption; or
 17 (c) property taxes on the homestead property are more than 1 year delinquent.

18 (4) The exemption does not expire because the owner of an interest in the homestead property conveys
 19 the interest to a qualifying individual or family trust.

20
 21 **NEW SECTION. Section 3. Claim for homestead exemption -- limitations.** (1) To qualify for the
 22 homestead property tax exemption under [sections 1 through 3], the homestead property must meet the following
 23 requirements when the claim is filed and must continue to meet the requirements on an annual basis:

24 (a) the property must be the homestead property of the eligible person who files the claim for the
 25 homestead property tax exemption, except for a taxpayer required to be absent from the homestead property by
 26 reason of ill health; and

27 (b) the person claiming the homestead property tax exemption is required, solely or together with the
 28 person's spouse, to own the fee simple estate or to be purchasing the fee simple estate under a recorded
 29 instrument of sale.

30 (2) A person applying for the homestead property tax exemption under [sections 1 through 3] shall

1 provide a complete affidavit to the department, on a form provided by the department, setting forth that the
2 applicant and the property meet the requirements of [sections 1 through 3]. The form may require the applicant
3 to supply other information that may be relevant to the applicant's eligibility. The application must be made before
4 April 15 of the tax year in which the property tax exemption is to begin. The homestead property tax exemption
5 remains in effect in subsequent years without the need for a subsequent application unless there is a change in
6 the applicant's or the property's status that would result in a change in eligibility. The department may inquire by
7 mail whether any change has taken place and may require a new statement of eligibility if it considers it
8 necessary.

9 (3) The affidavit is sufficient if the applicant signs a statement affirming the correctness of the information
10 supplied, whether or not the statement is signed before a person authorized to administer oaths, and mails the
11 application and statement to the department. The signed statement is considered a statement under oath or
12 equivalent affirmation for the purposes of 45-7-202, relating to the criminal offense of false swearing.

13
14 **NEW SECTION. Section 4. Codification instruction.** [Sections 1 through 3] are intended to be codified
15 as an integral part of Title 15, chapter 6, part 2, and the provisions of Title 15, chapter 6, part 2, apply to [sections
16 1 through 3].

17
18 **NEW SECTION. Section 5. Applicability.** [This act] applies to tax years beginning after December 31,
19 2017.

20 - END -