

## 1 SENATE BILL NO. 375

2 INTRODUCED BY K. REGIER

3  
4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING PROPERTY TAX ASSISTANCE LAWS;  
5 PROVIDING A TAX RATE REDUCTION FOR CERTAIN PRIMARY RESIDENCES OWNED BY INDIVIDUALS  
6 THAT ARE AT LEAST 80 YEARS OLD; REVISING DEFINITIONS; PROVIDING RULEMAKING AUTHORITY;  
7 AMENDING SECTIONS 15-6-301, 15-6-302, AND 15-6-312, MCA; AND PROVIDING AN APPLICABILITY  
8 DATE."

9  
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11  
12 NEW SECTION. Section 1. Golden years property tax exemption. (1) There is a golden years  
13 property tax assistance program that provides various levels of property tax exemptions for the purpose of  
14 assisting a qualifying senior in residing in a primary senior residence. To be eligible for the program, applicants  
15 must meet the requirements of 15-6-302.

16 (2) The purpose of the assistance is to fix the final amount of ad valorem property taxes due on  
17 qualifying senior property to the amount of ad valorem property taxes due during the base year. For property  
18 qualifying under subsection (1) that is owned by a qualifying senior, the department shall lower the tax rate  
19 provided in 15-6-134 on qualifying senior property to an amount that results in ad valorem property taxes due  
20 equal to the base year amount.

21 (3) A new base year must be established if an applicant:  
22 (a) does not file for assistance after previously receiving assistance under this section;  
23 (b) increases the interior square footage of the primary senior residence; or  
24 (c) constructs an outbuilding that exceeds 200 square feet, not including a porch or a deck.

25  
26 **Section 2.** Section 15-6-301, MCA, is amended to read:

27 "**15-6-301. Definitions.** As used in this part, the following definitions apply:

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

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

5 (2) "Base year" means the lesser of the total amount of ad valorem property taxes:

- 6 (a) paid on a residence the year before a qualifying senior claims an exemption under [section 1]; or
- 7 (b) that would have been paid on a residence without regard to the exemption in [section 1].

8 ~~(2)(3)~~ "PCE" means the implicit price deflator for personal consumption expenditures as published

9 quarterly in the survey of current business by the bureau of economic analysis of the U.S. department of

10 commerce.

11 ~~(3)(4)~~ "PCE inflation factor" for a tax year means the PCE for April of the prior tax year before the tax

12 year divided by the PCE for April 2015.

13 ~~(4)(5)~~ (a) "Primary residence" is, subject to the provisions of subsection ~~(4)(b)~~ (5)(b), a dwelling:

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

18 (b) A For assistance under 15-6-305 or 15-6-311, a primary residence may include more than one

19 dwelling when the taxpayer's combined residence in the dwellings is at least 7 months of the tax year.

20 (6) "Primary senior residence" has the same meaning as the term "primary residence", except:

21 (a) the real property must be owned by a qualifying senior:

22 (i) individually;

23 (ii) jointly with a legally married spouse; or

24 (iii) jointly with another qualifying senior, as long as all owners are a qualifying senior.

25 (b) The term includes parcels of land or lots of not more than 1 acre under single ownership that

26 support the primary residential improvements.

27 (c) The term does not include parcels of land or lots that do not support the primary residential

28 improvements, regardless of whether those parcels or lots are contiguous with or adjacent to the primary

1 residential property.

2 (7) "Qualifying senior" means a person that is at least 80 years of age on January 1 of the year in  
3 which an exemption is claimed.

4 ~~(5)(8)~~ "Qualified veteran" means a veteran:

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

6 (b) if living:

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

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

10 department of veterans affairs.

11 ~~(6)(9)~~ "Qualifying income" means:

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

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

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

18 ~~(7)(10)~~ — "Qualifying property" means a primary residence that a qualified applicant owned and  
19 occupied for at least 7 months during the tax year.

20 (11) "Qualifying senior property" means a primary senior residence that a qualifying senior applicant  
21 owned and occupied for at least 7 months during the tax year.

22 ~~(8)(12)~~ — "Residential real property" means the land and improvements of a taxpayer's primary  
23 residence."

24

25 **Section 3.** Section 15-6-302, MCA, is amended to read:

26 "**15-6-302. Property tax assistance -- rulemaking.** (1) The requirements of this section must be met  
27 for a taxpayer to qualify for property tax assistance under 15-6-305, ~~or~~ 15-6-311, or [section 1].

28 (2) For the property tax assistance programs provided for in 15-6-305, ~~and~~ 15-6-311, and [section 1],

1 the residential real property must be owned by the applicant or under contract for deed and be the primary  
 2 residence ~~as defined in 15-6-304~~ for assistance under 15-6-305 or 15-6-311, or the primary senior residence for  
 3 assistance under [section 1]. The department shall make rules specifying the indicators used for determining  
 4 whether a residence is a primary residence or primary senior residence for purposes of property tax assistance  
 5 programs.

6 (3) An applicant's qualifying income, as defined in 15-6-301, may not exceed the threshold  
 7 established in 15-6-305 or 15-6-311 or in rules established pursuant to those sections. There is no qualifying  
 8 income threshold for the assistance program provided for in [section 1].

9 (4) (a) A claim for assistance must be submitted on a form prescribed by the department.

10 (b) The form must contain:

11 (i) for assistance under 15-6-305 or 15-6-311, the qualifying income of the applicant and the  
 12 applicant's spouse;

13 (ii) an affirmation that the applicant owns and maintains the land and improvements as the primary  
 14 residence as defined in 15-6-301;

15 (iii) the social security number of the applicant and of the applicant's spouse; ~~and~~

16 (iv) for assistance under [section 1], a birth certificate for the applicant; and

17 ~~(v)~~ (v) any other information required by the department that is relevant to the applicant's eligibility.

18 (5) (a) An application must be filed by April 15 of the year for which assistance is first claimed.

19 (b) ~~Once~~ For assistance under 15-6-305 or 15-6-311, when assistance is approved, the applicant  
 20 remains eligible for property tax assistance in subsequent years through the annual verification process defined  
 21 in 15-6-301 without the need to reapply.

22 (c) For assistance under [section 1], an annual application on a form provided by the department is  
 23 required to receive a tax rate adjustment. A tax rate adjustment may be granted only for the current tax year  
 24 and may not be granted for a previous year.

25 ~~(e)~~ (d) A taxpayer shall inform the department of any change in eligibility occurring from one year to  
 26 the next.

27 (6) ~~The~~ For assistance under 15-6-305 or 15-6-311, the department may verify an applicant's and an  
 28 applicant's spouse's social security number and benefits with the social security administration and the U.S.

1 department of veterans affairs.

2 (7) ~~The~~ For assistance under 15-6-305 or 15-6-311, the department must shall annually verify an  
3 applicant's eligibility, including the applicant's and spouse's income, and approve, renew, or deny benefits for  
4 the current year based upon the findings.

5 (8) (a) When providing information for property tax assistance under 15-6-305, ~~or~~ 15-6-311, or  
6 [section 1], applicants are subject to the false swearing penalties established in 45-7-202.

7 (b) The department may investigate the information provided in an application and an applicant's  
8 continued eligibility.

9 (c) The department may request applicant verification of the primary residence.

10 (9) The department may address unusual circumstances of ownership and income that arise in  
11 administering taxpayer assistance programs provided for in 15-6-305, ~~and~~ 15-6-311, and [section 1].

12 (10) A temporary stay in a nursing home or similar facility does not change a taxpayer's primary  
13 residence for the purposes of taxpayer assistance programs provided for in 15-6-305, ~~and~~ 15-6-311, and  
14 [section 1].

15 (11) ~~The~~ For assistance under 15-6-305 or 15-6-311, the department shall award property assistance  
16 under the property tax assistance program that provides the greatest benefit to the taxpayer by reviewing  
17 applications and eligibility requirements, and notify the applicant of the department's decision.

18 (12) A taxpayer that claims assistance under [section 1] is not entitled to claim assistance under 15-6-  
19 305 or 15-6-311 for the same tax year."

20

21 **Section 4.** Section 15-6-312, MCA, is amended to read:

22 **"15-6-312. Time period for property tax assistance.** (1) A person who qualifies for assistance under  
23 15-6-305, ~~or~~ 15-6-311, or [section 1] is entitled to assistance as provided for in this section.

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

25 (a) in the first year in which the applicant qualifies for assistance if the applicant resides in the  
26 qualifying property or qualifying senior property for the remainder of the tax year;

27 (b) if the applicant resides in the qualifying property or qualifying senior property for the full tax year;

28 (c) for qualifying property or qualifying senior property owned by an applicant at the time the tax roll is

1 provided to the county treasurer for billing if ~~15-6-301(4)(b)~~ 15-6-301(5)(b) applies.

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

5 (4) (a) Except as provided in subsection (4)(b), a person who purchases a qualifying property or  
6 qualifying senior property is not entitled to assistance for the partial tax year during which the person owns the  
7 property. The property must be assessed at the full tax rate for the portion of the year the person owns the  
8 property based on the date of sale.

9 (b) If the sale date is after the county treasurer sends the tax notice provided for in 15-16-101(2), the  
10 tax notice may not be revised based on the change in ownership."  
11

12 **NEW SECTION. Section 5. Codification instruction.** [Section 1] is intended to be codified as an  
13 integral part of Title 15, chapter 6, part 3, and the provisions of Title 15, chapter 6, part 3, apply to [section 1].  
14

15 **NEW SECTION. Section 6. Severability.** If a part of [this act] is invalid, all valid parts that are  
16 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,  
17 the part remains in effect in all valid applications that are severable from the invalid applications.  
18

19 **NEW SECTION. Section 7. Applicability.** [This act] applies to tax years beginning after December  
20 31, 2021.

21 - END -