



AN ACT GENERALLY REVISING THE TEMPORARY PROPERTY TAX EXEMPTION FOR TRIBAL PROPERTY; REQUIRING THE DEPARTMENT OF REVENUE TO NOTIFY THE COUNTY IN WHICH THE PROPERTY IS LOCATED OF THE EXEMPTION APPLICATION AND APPROVAL OF THE EXEMPTION; PROVIDING FOR RECAPTURE OF TAXES IF THE TRUST APPLICATION IS DENIED OR NOT APPROVED WITHIN 5 YEARS; EXPANDING RULEMAKING AUTHORITY; AMENDING SECTION 15-6-230, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE.

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

Section 1. Section 15-6-230, MCA, is amended to read:

"15-6-230. Temporary exemption for certain tribal property -- rulemaking. (1) Subject to ~~subsection-subsections~~ subsections (2) and (3), property owned in fee by a federally recognized Indian tribe located within the boundaries of the state of Montana is temporarily exempt from taxation on January 1 after the following conditions are met:

(a) the United States department of the interior, bureau of Indian affairs, has determined that the initial written request or trust application submitted by the tribe is complete; and

(b) the tribe has submitted a timely property tax exemption application to the department and the department has approved the tribe's exemption application.

(2) Prior to approving the exemption application, the department shall notify the county in which the property is located. On approval of an exemption pursuant to this section, the department shall provide the approved application to the county in which the property is located.

~~(2)~~(3) The temporary exemption applies only for the timeframe during which a decision on the trust application is officially pending before the United States department of interior, bureau of Indian affairs, but the exemption may not exceed a period of 5 years and ceases earlier if the United States denies the trust

application.

~~(3)~~(4) For tax years following the department's approval of the exemption, the tribe shall annually certify to the department that the trust application is still under consideration by the United States department of interior, bureau of Indian affairs, and has not been denied. The exemption applies only for tax years for which the department has received a timely certification from the affected tribe. The department shall provide the annual certification to the county in which the property is located.

~~(4)~~(5) If a trust application has been denied, the temporary exemption expires on December 31 of the year in which the trust application was denied. The temporary exemption is no longer available for property associated with a trust application that has been denied.

~~(6)~~ (a) Property for which a trust application is denied or for which the 5-year exemption period expires and the trust application remains pending before the United States department of the interior, bureau of Indian affairs, is subject to a recapture of property taxes. The recaptured tax is equal to the tax that would have been assessed using the tax rates, the mill levies, and the appraised value for each year in which the property was exempt under this section. The department shall provide the taxable value to the county treasurer for collection of taxes subject to recapture.

~~(6)~~ (b) The department shall continue to appraise property granted an exemption under this section until a trust application is approved by the United States department of the interior, bureau of Indian affairs. The appraised value is only for use for calculating the recapture provided for in this section and may not be included in the taxable value provided to taxing jurisdictions.

~~(5)~~(7) If the United States takes tribally owned property out of trust, the property is subject to tax as otherwise provided by federal and state law.

~~(6)~~(8) The department may adopt rules to implement the provisions of this section."

Section 2. Notification to tribal governments. The secretary of state shall send a copy of [this act] to each federally recognized tribal government in Montana.

Section 3. Effective date. [This act] is effective on passage and approval.

Section 4. Applicability. [This act] applies to applications for exemption received on or after [the effective date of this act].

- END -

I hereby certify that the within bill,
SB 214, originated in the Senate.

Secretary of the Senate

President of the Senate

Signed this _____ day
of _____, 2021.

Speaker of the House

Signed this _____ day
of _____, 2021.

SENATE BILL NO. 214

INTRODUCED BY G. HERTZ

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