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HOUSE BILL NO. 476

INTRODUCED BY S. GALLOWAY, S. GUNDERSON, F. ANDERSON, J. SCHILLINGER, S. GIST, P. FIELDER, M. BINKLEY, K. SEEKINS-CROWE, E. BUTTREY, D. LOGE, J. READ, M. HOPKINS, G. OBLANDER, J. BERGSTROM, G. PARRY, M. YAKAWICH, G. KMETZ, T. FALK, J. TREBAS, J. KASSMIER, L. DEMING

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR A PROPERTY TAX EXEMPTION FOR CERTAIN RESIDENTIAL PROPERTY OCCUPIED BY THE OWNER AS A PRIMARY RESIDENCE; PROVIDING DEFINITIONS; AND PROVIDING AN APPLICABILITY DATE."

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

NEW SECTION. Section 1. Exemption for residential property occupied by owner -- exception.

(1) There is an exemption for class four residential property occupied by the applicant as a primary residence as provided in this section.

(2) (a) Except as provided in subsection (2)(b), the exemption is equal to the amount by which the market value in the tax year exceeds the market value on January 1, 2023.

(b) There is no exemption allowed under this section if:

- (i) the property is sold to someone other than an immediate family member; or
- (ii) there is new construction, remodeling, or reclassification of the property.

(3) (a) An exemption application must be filed by March 1 of the tax year for which the exemption is sought, on an application form provided by the department. After an exemption is approved, the applicant remains eligible for the exemption for the remainder of the 2-year valuation cycle provided for in 15-7-111 as long as the property is continually used as a primary residence by the applicant. An applicant who does not apply for assistance during the first year of the valuation cycle may apply during the second year of the cycle.

(b) The application form must contain:

(i) an affirmation that the applicant owns and maintains the land and improvements as the primary residence; and

Amendment - 1st Reading-white - Requested by: Steven Galloway - (H) Taxation

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Drafter: Megan Moore, 406-444-4496

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1 (ii) any other information required by the department that is relevant to the applicant's eligibility.

2 (c) When providing information to the department for qualification under this section, applicants
3 are subject to the false swearing penalties established in 45-7-202.

4 (d) The department may investigate the information provided in an application and an
5 applicant's continued eligibility.

6 (e) The department may request applicant verification of the primary residence.

7 (4) A taxpayer may not claim the exemption provided for in this section if the taxpayer receives
8 benefits from any of the following:

9 (a) the intangible land value assistance program provided for in 15-6-240;

10 (b) the property tax assistance program provided for in 15-6-305;

11 (c) the disabled veteran program provided for in 15-6-311; or

12 (d) the mobile home exemption provided for in 15-6-241.

13 ~~(4)~~(5) For the purposes of this section:

14 (a) "Immediate family member" means a spouse, parents, children, grandchildren, brothers, or
15 sisters.

16 (b) "Primary residence" means a single-family dwelling:

17 (i) in which an applicant can demonstrate the applicant lived for at least 7 months of the year for
18 which the exemption is claimed;

19 (ii) that is the only residence for which the exemption claimed in this section is claimed by
20 the applicant; and

21 (iii) that is owned or under contract for deed by the applicant.

22 (c) "Single-family dwelling" means a residential dwelling, manufactured home, trailer, or mobile
23 home and as much of the surrounding land, but not in excess of 5 acres, as is reasonably necessary for its use
24 as a dwelling.

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26 NEW SECTION. Section 2. Codification instruction. [Section 1] is intended to be codified as an
27 integral part of Title 15, chapter 6, part 2, and the provisions of Title 15, chapter 6, part 2, apply to [section 1].

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