

1 SENATE BILL NO. 110
2 INTRODUCED BY K. REGIER

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

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

11
12 NEW SECTION. **Section 1. Golden years property tax assistance program -- exemption.** (1)

13 There is a golden years property tax assistance program that prevents increases in the appraised value of
14 qualifying senior property for the purpose of assisting a qualifying senior in residing in a primary senior
15 residence. To be eligible for the program, applicants must meet the requirements of 15-6-302.

16 (2) The base year appraised value of qualifying senior property is taxed at the rates established by
17 15-6-134. Any remaining qualifying senior property value is exempt from ad valorem property taxes.

18 (3) (a) A new base year appraised value must be established if an applicant:
19 (i) increases the interior square footage of the primary senior residence; or
20 (ii) constructs an outbuilding that exceeds 200 square feet, not including a porch or a deck.

21 (b) The new base year appraised value for a property that satisfies the criteria in subsection (3)(a)
22 is equal to the appraised value of the primary senior residence during the first year that the improvements are
23 considered by the department in a new appraisal.

24
25 **Section 2.** Section 15-6-301, MCA, is amended to read:

26 **"15-6-301. Definitions.** As used in this part, the following definitions apply:

27 (1) "Annual verification" means the use of a process to:
28 (a) verify an applicant's income for assistance under 15-6-305 or 15-6-311;

Amendment - 1st Reading-white - Requested by: Greg Hertz - (S) Taxation

68th Legislature

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SB0110.001.003

1 (b) approve, renew, or deny benefits for the current year based ~~upon~~on the applicant's eligibility;

2 and

3 (c) terminate participation based ~~upon~~on death or loss of status as a qualified veteran or veteran's
4 spouse.

5 (2) "Base year appraised value" means the lesser of:

6 (a) the appraised value the year before a qualifying senior claims an exemption under [section 1];

7 or

8 (b) in the event the appraised value is less than the value established in subsection (2)(a), the
9 lowest appraised value after the exemption is claimed.

10 ~~(2)~~(3) "PCE" means the implicit price deflator (price index) for personal consumption expenditures as
11 published in the national income and product accounts by the bureau of economic analysis of the U.S.
12 department of commerce.

13 ~~(3)~~(4) "PCE inflation factor" for a tax year means the PCE price index value for the first quarter of the
14 prior tax year before the tax year divided by the PCE price index value for the first quarter of 2015.

15 ~~(4)~~(5) (a) "Primary residence" is, subject to the provisions of subsection (4)~~(b)~~ (5)(b), a dwelling:

16 (i) in which a taxpayer can demonstrate the taxpayer lived for at least 7 months of the year for
17 which benefits are claimed;

18 (ii) that is the only residence for which property tax assistance is claimed; and

19 (iii) determined using the indicators provided for in the rules authorized by 15-6-302(2).

20 (b) A For assistance under 15-6-305 or 15-6-311, a primary residence may include more than one
21 dwelling when the taxpayer's combined residence in the dwellings is at least 7 months of the tax year.

22 (6) (a) "Primary senior residence" has the same meaning as the term "primary residence", except
23 the real property must be owned by a qualifying senior:

24 (i) individually;

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

26 (iii) jointly with another qualifying senior, as long as all owners are qualifying seniors.

27 (b) The term includes parcels of land or lots of not more than 1 acre under single ownership that
28 support the primary residential improvements.

1 (c) The term does not include:

2 (i) parcels of land or lots that do not support the primary residential improvements, regardless of
3 whether those parcels or lots are contiguous with or adjacent to the primary residential property; or

4 (ii) real property with an appraised value greater than \$900,000 at the time of the application.

5 ~~(5)~~(7) "Qualified veteran" means a veteran:

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

7 (b) if living:

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

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

11 department of veterans affairs.

12 ~~(6)~~(8) "Qualifying income" means:

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

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

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

19 ~~(7)~~(9) "Qualifying property" means a primary residence that a qualified applicant owned and occupied
20 for at least 7 months during the tax year.

21 (10) "Qualifying senior" means a person who is at least 80 years of age on January 1 of the year in
22 which an exemption is claimed.

23 (11) "Qualifying senior property" means a primary senior residence that a qualifying senior applicant
24 owned for at least 5 consecutive years and occupied for at least 7 months during the tax year.

25 ~~(8)~~(12) "Residential real property" means the land and improvements of a taxpayer's primary
26 residence."

27

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