

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.

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 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;

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

4 ~~(5)(7)~~ "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)(8)~~ "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)(9)~~ "Qualifying property" means a primary residence that a qualified applicant owned and occupied
 19 for at least 7 months during the tax year.

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

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

24 ~~(8)(12)~~ "Residential real property" means the land and improvements of a taxpayer's primary
 25 residence."
 26

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

28 **"15-6-302. Property tax assistance -- rulemaking.** (1) The requirements of this section must be met

1 for a taxpayer to qualify for property tax assistance under 15-6-305, ~~or 15-6-311, or [section 1].~~

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

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

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

12 (b) The form must contain:

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

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

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

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

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

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

21 (b) ~~One~~ When assistance is approved, the applicant remains eligible for property tax assistance
 22 in subsequent years through the annual verification process defined in 15-6-301 without the need to reapply.

23 (c) A taxpayer shall inform the department of any change in eligibility occurring from one year to
 24 the next.

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

28 (7) ~~The~~ For assistance under 15-6-305 or 15-6-311, the department ~~must~~ shall annually verify an

1 applicant's eligibility, including the applicant's and spouse's income, and approve, renew, or deny benefits for
 2 the current year based ~~upon~~on the findings. For assistance under [section 1], the department may annually
 3 verify an applicant's eligibility and approve, renew, or deny benefits for the current year based on the findings.

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

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

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

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

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

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

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

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

21 **"15-6-312. Time period for property tax assistance.** (1) A person who qualifies for assistance under
 22 15-6-305, ~~or~~ 15-6-311, or [section 1] is entitled to assistance as provided for in this section.

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

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

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

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

1 roll is provided to the county treasurer for billing if 15-6-301(4)(b)(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 or qualifying senior property during the tax year based on
5 the date of sale.

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

10 (b) If the sale date is after the county treasurer sends the tax notice provided for in 15-16-101(2),
11 the tax notice may not be revised based on the change in ownership."
12

13 **NEW SECTION. Section 5. Transition -- revised base year appraised value for certain**

14 **qualifying taxpayers.** (1) The legislature intends to provide property tax relief to taxpayers that would have
15 qualified for relief under [this act] had it been in place when an individual met the age requirements of a
16 qualifying senior.

17 (2) If a taxpayer is a qualifying senior on or before [the effective date of this act], the base year
18 appraised value means the lesser of:

19 (a) the lowest appraised value of a primary senior residence on or before [the effective date of this
20 act] that the taxpayer met the age requirement of a qualifying senior; or

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

23 (3) The revised definition in this section is limited to claims for assistance for property tax years
24 2024 and 2025. If a taxpayer who satisfies the criteria of this section improved a primary senior residence after
25 meeting the age requirement of a qualifying senior, the base year appraised value is adjusted as provided in
26 [section 1(3)].

27 (4) The department may make rules, establish deadlines, and develop forms for the purpose of
28 implementing this section.

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

NEW SECTION. Section 7. Severability. If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

NEW SECTION. Section 8. Applicability. [This act] applies to tax years beginning after December 31, 2023.

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