

1 \_\_\_\_\_ BILL NO. \_\_\_\_\_

2 INTRODUCED BY \_\_\_\_\_  
3 (Primary Sponsor)

4 A BILL FOR AN ACT ENTITLED: "AN ACT EXEMPTING CERTAIN TRIBAL PROPERTY FROM TAXATION;  
5 REMOVING THE TIME LIMIT ON THE TEMPORARY EXEMPTION FOR TRIBAL PROPERTY; AMENDING  
6 SECTION 15-6-230, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

7  
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9  
10 **Section 1.** Section 15-6-230, MCA, is amended to read:

11 **"15-6-230. ~~Temporary exemption~~ Exemption for certain tribal property -- rulemaking.** (1) Subject  
12 to subsections (2) and (3), property owned in fee by a federally recognized Indian tribe located within the  
13 boundaries of the state of Montana is ~~temporarily exempt~~ exempt from taxation on January 1 after ~~the following~~  
14 ~~conditions are met:~~

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

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

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

22 (2) The department shall approve the exemption after the tribe submits:

23 (a) a copy of the trust application; and

24 (b) an acknowledgement of receipt of the trust application from the United States department of  
25 the interior, bureau of Indian affairs.

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

1 application.

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

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

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

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

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

22 ~~(8)(7)~~ The department may adopt rules to implement the provisions of this section."  
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24 NEW SECTION. Section 2. Notification to tribal governments. The secretary of state shall send a  
25 copy of [this act] to each federally recognized tribal government in Montana.

26  
27 NEW SECTION. Section 3. Effective date. [This act] is effective on passage and approval.

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