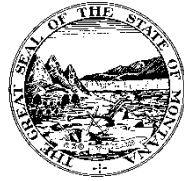




Gene Walborn
Director

Montana Department of Revenue



Steve Bullock
Governor

Memorandum

To: Revenue and Transportation Interim Committee
From: Shauna Helfert, Property Assessment Administrator
Date: June 20, 2018
Subject: Tax-exempt Real Property (HB0389 Summary)

64th Legislature HB0389

An Act requiring periodic reapplication by an owner of certain tax-exempt real property for maintaining an exemption from property taxes; requiring a public listing of certain property that is exempt from taxation; and establishing a duty for an owner of tax-exempt property to report a change in use.

Summary of Requirements

- Application Process
 - The initial renewal application must be submitted to the department, and must include:
 - articles of incorporation, a copy of the applicant's constitution or by-laws, and a copy of the applicant's tax-exempt status letter (501 determination);
 - deed evidencing ownership, parcel geocode, assessor code, legal description, or physical address;
 - explaining how the organization, or society, qualifies for the property tax exemption; and
 - specific use of the real property.
 - Renewal applications required every 6 years; law sunsets in 2021.
 - Initial fee of \$15 – \$25 was collected based on complexity of property.
 - Owners must report change in use or ownership.

Status:

- 10,435 parcels identified. (based on actual parcels identified in Orion – application numbers stated in 2017 were estimated);
- A determination has been made on 8,103 (78%) with 2,332 applications remaining (22%).
 - Of the 8,103 applications reviewed only 308 parcels have been denied and returned to taxable status (less than 4%).

- Public listing of exempt property
 - The department shall maintain a free public listing of real property that is exempt from property taxation with the following information:
 - the county in which the exempt real property is located;
 - the name of the owner or entity utilizing the exemption;
 - the mailing address of the owner or entity utilizing the exemption;
 - the exempt real property's legal description and total exempt area, including the square footage or acreage of the parcel and the square footage of any buildings;
 - the property address of the exempt real property;
 - the type of exemption; and
 - any additional information considered relevant by the department.

Status: The listing is now live at mtrevenue.gov