

1 **** BILL NO. ****
2 INTRODUCED BY ****
3 BY REQUEST OF THE ****
4

5 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE PROPERTY TAX RATE FOR SECOND HOMES;
6 DEFINING "SECOND HOMES"; AMENDING SECTION 15-6-134, MCA; AND PROVIDING AN
7 APPLICABILITY DATE."
8

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

11 **Section 1.** Section 15-6-134, MCA, is amended to read:

12 **"15-6-134. Class four property -- description -- taxable percentage.** (1) Class four property
13 includes:

14 (a) subject to subsection (1)(e), all land, except that specifically included in another class;

15 (b) subject to subsection (1)(e):

16 (i) all improvements, including single-family residences, trailers, manufactured homes, or mobile
17 homes used as a residence, except those specifically included in another class;

18 (ii) appurtenant improvements to the residences, including the parcels of land upon which the
19 residences are located and any leasehold improvements;

20 (iii) vacant residential lots; and

21 (iv) rental multifamily dwelling units.

22 (c) all improvements on land that is eligible for valuation, assessment, and taxation as agricultural
23 land under 15-7-202, including 1 acre of real property beneath improvements on land described in 15-6-
24 133(1)(c). The 1 acre must be valued at market value.

25 (d) 1 acre of real property beneath an improvement used as a residence on land eligible for valuation,
26 assessment, and taxation as forest land under 15-6-143. The 1 acre must be valued at market value.

27 (e) all commercial and industrial property, as defined in 15-1-101, and including:

28 (i) all commercial and industrial property that is used or owned by an individual, a business, a trade, a

1 corporation, a limited liability company, or a partnership and that is used primarily for the production of income;

2 (ii) all golf courses, including land and improvements actually and necessarily used for that purpose,

3 that consist of at least nine holes and not less than 700 lineal yards;

4 (iii) commercial buildings and parcels of land upon which the buildings are situated; and

5 (iv) vacant commercial lots.

6 (2) If a property includes both residential and commercial uses, the property is classified and

7 appraised as follows:

8 (a) the land use with the highest percentage of total value is the use that is assigned to the property;

9 and

10 (b) the improvements are apportioned according to the use of the improvements.

11 (3) (a) Except as provided in 15-24-1402, 15-24-1501, 15-24-1502, and ~~subsection~~ subsections

12 (3)(b) and (3)(c), class four residential property described in subsections (1)(a) through (1)(d) of this section is

13 taxed at 1.35% of market value.

14 (b) The tax rate for the portion of the market value of a single-family residential dwelling in excess of
15 \$1.5 million is the residential property tax rate in subsection (3)(a) multiplied by 1.4.

16 (c) The tax rate for a second home is the residential property tax rate in subsection (3)(a) multiplied by
17 1.4.

18 ~~(e)(d)~~ The tax rate for commercial property is the residential property tax rate in subsection (3)(a)
19 multiplied by 1.4.

20 (4) Property described in subsection (1)(e)(ii) is taxed at one-half the tax rate established in
21 subsection (3)~~(e)(d)~~.

22 (5) (a) For purposes of this section, "second home" means a single-family dwelling or unit of a
23 multifamily dwelling and as much of the surrounding land, but not in excess of 1 acre, as is reasonably
24 necessary for its use as a dwelling that is occupied by the owner for fewer than 7 months of the tax year.

25 (b) The term does not include:

26 (i) a dwelling rented solely on a monthly basis or for a period of 30 days or more; or

27 (ii) a dwelling that the owner occupied for fewer than 7 months because the owner purchased the
28 dwelling during the tax year."

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2 NEW SECTION. **Section 2. Applicability.** [This act] applies to tax years beginning after December

3 31, 2022.

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- END -

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