



Gene Walborn
Director

Montana Department of Revenue



Steve Bullock
Governor

TO: Revenue Interim Committee
FROM: Gordon Conn, Property Assessment Division Administrator 
DATE: September 9, 2019
RE: Land Value Property Tax Assistance

During the June 2019 Revenue Interim Committee meeting, Senator Blasdel asked if legacy property owners established through Senate Bill 94 (2017) were notified by the department that they would need to re-file their property exemption every two years.

Yes. Qualifying applicants were notified in their determination letter sent last valuation cycle that they are required to reapply for the land value property tax assistance program each property valuation cycle. If there have been no changes in the ownership, use or physical characteristics of the property, a new application is all that is required.

Please see the attached information regarding the implementation of SB 94.

Montana Code Annotated 2017

TITLE 15. TAXATION

CHAPTER 6. PROPERTY SUBJECT TO TAXATION

Part 2. Tax-Exempt Property

Intangible Land Value Property Exemption -- Application Procedure

15-6-240. Intangible land value property exemption -- application procedure. (1) There is an intangible land value assistance program that provides graduated levels of property tax exemptions to assist owners of primary residences with land values that are disproportionate to the value of a primary residence and improvements. To be eligible for the exemption, applicants must meet the requirements of this section.

(2) If the total appraised value of the land is equal to or less than 150% of the appraised value of the primary residence and improvements situated on the land, then the land exemption provided in this section does not apply.

(3) Subject to subsection (6), if the total appraised value of the land is greater than 150% of the appraised value of the primary residence and improvements situated on the land, then the land is valued at 150% of the appraised value of the primary residence and improvements situated on the land, subject to the minimum equalization of value requirement in subsection (4), and the remainder of the land value is exempt from taxation.

(4) If the calculation in subsection (3) creates a land value that is less than the statewide average value of land, then the value of the land may not be reduced in an amount that is less than the statewide average value of land multiplied by the acreage of land for the subject property.

(5) This section does not provide an exemption for the primary residence and improvements situated on the land.

(6) (a) A claim for assistance must be filed by March 1 of the tax year for which the exemption is sought, on an application form provided by the department. After an exemption is approved, the applicant remains eligible for the exemption for the remainder of the 2-year valuation cycle provided for in **15-7-111** as long as the property is continually used as a primary residence by the applicant. An applicant who does not apply for assistance during the first year of the valuation cycle may apply during the second year of the cycle.

(b) The application form must contain:

(i) an affirmation that the applicant owns and maintains the land and improvements as the primary residence;

(ii) an affirmation that the land has been owned by the applicant or a family member of the applicant within the third degree of consanguinity for at least 30 consecutive years; and

(iii) any other information required by the department that is relevant to the applicant's eligibility.

(c) When providing information to the department for qualification under this section, applicants are subject to the false swearing penalties established in **45-7-202**.

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

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

(7) As used in this section the following definitions apply:

(a) "Land" means:

(i) parcels of land or lots of not more than 5 acres under single ownership that support the primary residential improvements. The term does not include parcels of land or lots that do not support the primary residential improvements, regardless of whether those parcels or lots are contiguous with or adjacent to the primary residential property.

(ii) subject to the limitations in subsection (7)(a)(i), separately assessed land on which a mobile or manufactured home is located, but only if the mobile or manufactured home and the land are both owned by the applicant.

(b) "Primary residence" means a single-family dwelling:

(i) in which an applicant can demonstrate the applicant lived for at least 7 months of the year for which benefits are claimed;

(ii) that is the only residence for which the land exemption claimed in this section is claimed by the applicant; and

(iii) that is owned or under contract for deed by the applicant.

(c) "Single-family dwelling" means a residential dwelling, manufactured home, trailer, or mobile home. The term does not include a condominium unit or a unit of a multiple-unit dwelling.

(d) "Statewide average value of land" is a value calculated by the department that is equal to the statewide average market value of 1 acre of class four real property described in 15-6-134(1)(a) through (1)(d).

History: En. Sec. 1, Ch. 441, L. 2017.



Montana Secretary of State
Corey Stapleton

[HOME](#) [SEARCH](#) [ABOUT US](#) [CONTACT US](#) [HELP](#)

Rule: 42.19.407

[Prev](#) [Up](#) [Next](#)

Rule Title: INTANGIBLE LAND VALUE PROPERTY TAX ASSISTANCE PROGRAM FOR RESIDENTIAL PROPERTY

Department: [REVENUE](#)
Chapter: [GENERAL PROPERTY TAX PROVISIONS](#)
Subchapter: [Property Tax Assistance Programs](#)



[Add to Favorites](#)

Latest version of the adopted rule presented in Administrative Rules of Montana (ARM):

[Printer Friendly Version](#)

42.19.407 INTANGIBLE LAND VALUE PROPERTY TAX ASSISTANCE PROGRAM FOR RESIDENTIAL PROPERTY

(1) Property taxpayers meeting the requirements of the intangible land value property tax assistance program, as described in [15-6-240](#), MCA, may submit an application for assistance to the department. The application form is available on the department's web site at revenue.mt.gov.

(2) Applications must be submitted by March 1 in order to be considered for the current tax year as provided in [15-6-240](#), MCA.

(3) Qualifying applicants shall affirm that the property owned and maintained by the applicant is the applicant's primary residence. If verification is necessary, the applicant may demonstrate they meet this requirement with such indicators including, but not limited to:

- (a) the mailing address for receipt of bills and correspondence;
- (b) the address on file with the applicant's employer as the place of residence; or
- (c) the mailing address listed on the applicant's federal and state tax returns, driver's license, car registration, hunting and fishing licenses, or voter registration.

(4) Qualifying applicants must provide documentation that the land for which the applicant is seeking assistance has been owned by the applicant or a family member of the applicant within three degrees of consanguinity (ancestral line of descent) for at least 30 consecutive years.

Acceptable types of documentation include, but are not limited to:

- (a) property deeds showing ownership of the land;
- (b) property tax records indicating ownership in the name of the applicant;
- (c) bills of sale indicating ownership in the name of the applicant; or
- (d) documents showing the transfer of the land from one degree of consanguinity to the next degree.

(5) Computation of the degree of consanguinity is calculated as follows:

(a) The degree of relationship by consanguinity between an individual and the individual's descendant is determined by the number of generations that separate them.

(b) If an individual and the individual's relative are related by consanguinity, but neither is descended from the other, the degree of relationship is determined by adding:

(i) the number of generations between the individual and the nearest common ancestor of the individual and the individual's relative; and

(ii) the number of generations between the relative and the nearest common ancestor.

(c) An individual's relatives within the third degree of consanguinity are the individual's:

- (i) parent or child (relatives in the first degree);
- (ii) brother, sister, grandparent, or grandchild (relatives in the second degree); and
- (iii) great-grandparent, great-grandchild, aunt who is a sister of a parent of the individual, uncle who is a brother of a parent of the individual, nephew who is a child of a brother or sister of the individual, or niece who is a child of a brother or sister of the individual (relatives in the third degree).

(6) As described in [15-6-240](#), MCA, if the department's appraised value of the land is greater than 150 percent of the appraised value of the primary residence and improvements situated on the land, then the land is valued at 150 percent of the appraised value of the primary residence and improvements, subject to the following:

(a) The subject property will not qualify if the land value is less than the statewide average of the land multiplied by the acreage of land of the subject property.

(7) For the purpose of administering (6), the department determines the statewide average value of land to be the average market value per acre of all taxable class four residential land that is valued using the acre market land valuation models. The average market value per acre is calculated by taking the total appraised value of all taxable class four residential land valued using the acre land valuation models divided by the total acreage of all taxable class four residential land valued using the acre land valuation models.

(8) Qualifying applicants are required to reapply for the intangible land value property tax assistance program each property valuation cycle. The supporting documentation outlined in (4) may be required with reapplications.

History: [15-1-201](#), MCA; [IMP](#), [15-6-240](#), [15-6-301](#), MCA; [NEW](#), 2017 MAR p. 2201, Eff. 11/25/17.

MAR Notices	Effective From	Effective To	History Notes
42-2-980	11/25/2017	Current	History: 15-1-201 , MCA; IMP , 15-6-240 , 15-6-301 , MCA; NEW , 2017 MAR p. 2201, Eff. 11/25/17.

[Home](#) | [Search](#) | [About Us](#) | [Contact Us](#) | [Help](#) | [Disclaimer](#) | [Privacy & Security](#)

For questions regarding the content, interpretation, or application of a specific rule, please contact the agency that issued the rule. A directory of state agencies is available online at <http://www.mt.gov/govt/agencylisting.asp>.

For questions about the organization of the ARM or this web site, contact sosarm@mt.gov.

REVENUE

PROPERTY

HOME TAXES & FEES | PROPERTY | ALCOHOL & TOBACCO | RESOURCES | FORMS | ONLINE SERVICES | CALENDAR | ABOUT US | CONTACT

PROPERTY
HOME PROPERTY

We appraise and value properties and administer certain property taxes in Montana. The property values appraised by the department are used by counties to determine property taxes.

What can we help you with?

[Centrally Assessed](#)
[Industrial Property](#)
[Local Governments](#)
[Personal Property](#)
[Property Abatement](#)
[Property Appraisal Notices](#)
[Property Certified Values](#)
[Property Codes](#)
[Property Tax Exemptions](#)
[Property Types](#)
[Real Property](#)
[Reporting](#)
[Tax Relief](#)
[TIF Districts](#)
[Unclassified Property](#)
[Valuation Manuals](#)

PROPERTY MT GOV
 PROPERTY APPRAISAL NOTICES
 PROPERTY TYPES
 CENTRALLY ASSESSED AND INDUSTRIAL PROPERTY
 TAX RELIEF PROGRAMS
 CERTIFIED PROPERTY VALUES AND MILL LEVIES

LAND VALUE PROPERTY TAX ASSISTANCE PROGRAM
HOME TAXES & FEES / TAX RELIEF PROGRAMS / LAND VALUE PROPERTY TAX ASSISTANCE PROGRAM

QUICK INFORMATION

The Land Value Property Tax Assistance Program for Residential Property helps residential property owners if the value of their land is disproportionately higher than the value of their home or other buildings on their land and the land has been in their family for at least 30 years.

Eligibility

Qualifying Requirements

Before you apply, check Property MT Gov to see if your property meets the initial requirement.

Our appraised market value of your land must be 150% greater than the appraised market value of your home and other buildings located on your land.

If your property meets this requirement, you will see a highlighted note in the value history section of your electronic property record card.

Additional Requirements

Additional requirements include:

- Your home is located on five acres or less
- You own and maintain your home as your primary residence for at least seven months of the year
- The land on which your home is located has been owned by you or a family member *within three degrees of consanguinity* for at least 30 consecutive years

DEGREES OF CONSANGUINITY

- First Degree** Parent or child
- Second Degree** Grandparents, grandchildren and siblings
- Third Degree** Great-grandparents, great-grandchildren, and:
 - A parent's sibling
 - A sibling's child

You will need to submit documents showing the ownership history for that land on which your home is located with your application form. These documents may include:

- Copies of property deeds,
- Property tax records, or
- Bills of sale

TAX RELIEF PROGRAMS
HOME TAXES & FEES / TAX RELIEF PROGRAMS

We have multiple programs available to help Montana citizens who need assistance with their income or property tax.

What can we help you with?

- [Extensions](#)
[Income Tax](#)
[Military](#)
[Natural Disaster](#)
[Property Tax Assistance](#)
[Reduction](#)
[Tax Liability](#)

INJURED SPOUSE ASSISTANCE
 INNOCENT SPOUSE RELIEF
 LAND VALUE PROPERTY TAX ASSISTANCE PROGRAM
 INJURED SPOUSE ASSISTANCE
 INNOCENT SPOUSE RELIEF
 LAND VALUE PROPERTY TAX ASSISTANCE PROGRAM



▼ QUICK INFORMATION

Property.mt.gov is an easy-to-use tool for finding property information.

Property.mt.gov lets you

- Check the characteristics of your property with the Property Report Card,
- Locate property using the statewide Parcel Map,
- Review the Certified Values of property in your county or area,
- Find tax exempt property in each county, and
- Search for personal property data.

Property Record Card		
07-3834-26-3-01-05-0000		GO
07-3834-26-3-01-05-0000		
General Information		
Property Number		Open Map
Assessment Code		
County	Flathead	
Levy District	07-032702	
Neighborhood	207.821.0	
Situs Address		
Legal Description	S26, T27 N, R21 W, COS 11986-A, TR 5LE IN GOV L 5, ASSR# 0000065452	
Owner Name		
Property Last Updated	7/11/2019	
Value History		
<p>This property potentially qualifies for the LAND VALUE PROPERTY TAX ASSISTANCE FOR RESIDENTIAL PROPERTY PROGRAM</p> <p>If this property is your primary residence and has been owned by you or a family member within the third degree of consanguinity for at least 30 consecutive years, you MAY qualify for property tax assistance.</p> <p>Click here for more information and the application form.</p>		
Year	Market Value	Taxable Value
2015	\$792,000	\$10,692
2016	\$792,000	\$10,692
2017	\$814,210	\$10,992
2018	\$814,210	\$10,992
2019	\$859,060	\$11,597

Montana Department of Revenue
Property Assessment Division
155 West Granite Street, Ste 203
Butte, MT 59701-9256
(406) 497-6280



ADDRESS SERVICE REQUESTED

Owner Name
Owner Address 1
Owner Address 2

June 27, 2019

RE: Land Value Property Tax Assistance for Residential Property Application
Geocode-

Dear Property Owner,

We reviewed your land value property tax assistance application and determined that you met all of the criteria for qualification. The value amount shown below is the portion of your land value that is in excess of 150 percent of the department's appraised market value of your home and other improvements located on your property.

Land value amount exempt from taxation for tax years 2019 and 2020.

\$

Important! Qualifying applicants are required to reapply for the land value property tax assistance program each property valuation cycle, per 15-6-240, MCA. If there have been no changes in the ownership, use or physical characteristics of the property since you first applied, resubmitting supporting documentation is not necessary. A new application is all that is required.

For the next valuation cycle, tax year 2021-2022, you will need to reapply by the application deadline, March 1, 2021. If you apply by March 1 and you still qualify for the program, the exemption benefit will apply to both years of the valuation cycle (2021-2022). If you miss the March 1 deadline in 2021, you can still apply for the second year of the valuation cycle, tax year 2022.

If you have any questions, please contact our office at (406) 497-6280.

Thank you.

Your name

Title

Property Assessment Division