



GOVERNOR GREG GIANFORTE
DIRECTOR BRENDAN BEATTY

Memorandum

TO: Revenue Interim Committee

FROM: Kory Hofland, Property Assessment Administrator

DATE: June 8, 2022

SUBJECT: Property Tax Abatements for Gray Water Systems

15-24-3211, MCA, requires the department to report to the Revenue Interim Committee the use of the tax abatement for residential gray water systems and common gray water and potable water systems. The tax abatement provides that the systems are taxed at 91% of market value during construction and for 10 years following completion of construction.

The statute requires the committee to make a recommendation to the next legislature on the continuation or structure of the abatement.

Summary of Requirements

- Application Process
 - The application must be submitted to the department no later than one year after the project's completion date, and must include:
 - certification from the local health board, identifying:
 - property is under construction;
 - property owner;
 - property legal description, and
 - an estimated date of completion
 - The one-year period for applying for an abatement for a multiple dwelling project begins:
 - upon the completion of the residential units; or
 - after the completion of the first residential unit if construction occurs over a multiyear period.

Status

- One application was received, and the abatement was granted in 2014.