

## TEXT OF PROPOSED BALLOT ISSUE

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

**Section 1.** Article VIII, section 3, of The Constitution of the State of Montana is amended to read:

**“Section 3. Property tax administration.** (1) The Subject to subsections (2), (3), and (4), the state shall appraise, assess, and equalize the valuation of all property which is to be taxed in the manner provided by law.

(2) The base valuation of real property must be the amount assessed by the state as of December 31, 2019.

(3) The value of real property may be reassessed annually on January 1 of each year. If real property is not newly constructed or significantly improved or did not have a change of ownership after January 1, 2020, any increase in the assessed valuation may not exceed 2 percent.

(4) After January 1, 2020, whenever real property is newly constructed or significantly improved or has a change of ownership, it may be assessed by the state at its fair market value with subsequent changes to the assessment made in accordance with the limits in subsection (3) and this subsection.

(5) At the request of the owner, the valuation must be reduced to reflect substantial damage, destruction, market conditions, or other factors causing a decrease in value.

(6) For purposes of this section, the terms “change of ownership”, “constructed”, and “significantly improved” may not include the following:

(a) the purchase or transfer of real property between spouses or between parents and their children; or

(b) the acquisition of real property as a replacement for comparable property resulting from eminent domain proceedings, acquisition by a public entity, or governmental action that has resulted in a judgment of inverse condemnation.

(7) Total ad valorem taxes assessed against real property may not exceed 1 percent of the valuation established by this section.

(8) The limitation provided for in subsection (7) does not apply to ad valorem taxes assessed to pay the interest on any indebtedness approved by the voters prior to [the effective date of this section].”

NEW SECTION. Section 2. Severability. If a part of [this act] is invalid, all valid parts that are severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications, the part remains in effect in all valid applications that are severable from the invalid applications.

## PROPOSED BALLOT ISSUE STATEMENT

CI-\_\_\_ limits annual increases and in valuations of residential property to 2% when assessing property taxes if the property is not newly constructed, significantly improved, or had a change of ownership since January 1, 2019. CI-\_\_\_ establishes 2019 state valuations as the base year for the valuations of residential property and permits annual reassessment. It requires valuations to be reduced to reflect substantial damage, destruction, market conditions, or other factors causing decreases in value if requested by the owner.