

1 HOUSE BILL NO. 970
2 INTRODUCED BY G. OBLANDER

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4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR A PROPERTY TAX EXEMPTION FOR
5 CERTAIN RESIDENTIAL PROPERTY OCCUPIED BY THE OWNER AS A PRIMARY RESIDENCE;
6 REQUIRING THE PROPERTY TO BE OWNED FOR 10 YEARS OR MORE; REQUIRING THE OWNER TO
7 BE 55 YEARS OF AGE OR OLDER; PROVIDING DEFINITIONS; AND PROVIDING AN APPLICABILITY
8 DATE."

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

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12 NEW SECTION. **Section 1. Exemption for residential property occupied by owner -- exception.**

13 (1) There is an exemption for class four residential property owned and occupied by a taxpayer who is 55 years
14 of age or older as a primary residence for 10 years or more as provided in this section.

15 (2) (a) Except as provided in subsection (2)(b), the exemption is equal to the amount by which the
16 market value in the tax year exceeds the market value in the base year.

17 (b) There is no exemption allowed under this section if:

18 (i) the property is sold to someone other than an immediate family member; or

19 (ii) there is new construction, remodeling, or reclassification of the property. For the purposes of
20 this subsection (2)(b)(ii), remodeling includes increasing the finished area of a building or altering the structure
21 or form of an existing space. It does not include general maintenance and upkeep, such as painting or replacing
22 flooring, windows, siding, roofing, fixtures, or appliances.

23 (3) (a) An exemption application must be filed by March 1 of the tax year for which the exemption
24 is sought on an application form provided by the department. Following approval for the exemption, the
25 applicant remains eligible for the exemption in subsequent years as long as the applicant continues to use the
26 property as a primary residence.

27 (b) The application form must contain:

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

1 residence; and

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

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

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

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

8 (4) For the purposes of this section:

9 (a) "Base year" means the year in which a property owner's application for the exemption provided
10 for in this section is approved by the department.

11 (b) "Immediate family member" means a spouse, parents, children, grandchildren, brothers, or
12 sisters.

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

14 (i) in which an applicant can demonstrate the applicant lived for at least 7 months of the year for
15 which the exemption is claimed;

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

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

19 (d) "Single-family dwelling" means a residential dwelling, manufactured home, trailer, or mobile
20 home and as much of the surrounding land, but not in excess of 5 acres, as is reasonably necessary for its use
21 as a dwelling.

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23 NEW SECTION. Section 2. Codification instruction. [Section 1] is intended to be codified as an
24 integral part of Title 15, chapter 6, part 2, and the provisions of Title 15, chapter 6, part 2, apply to [section 1].

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26 NEW SECTION. Section 3. Applicability. [This act] applies to property tax years beginning after
27 December 31, 2023.

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