

1 HOUSE BILL NO. 280
 2 INTRODUCED BY J. KARLEN, C. KEOGH, J. COHENOUR, T. RUNNING WOLF, E. KERR-CARPENTER, D.
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 4 HOWELL

5
 6 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A CIRCUIT BREAKER INCOME TAX CREDIT FOR
 7 PROPERTY TAXES PAID AND RENT-EQUIVALENT PROPERTY TAXES PAID; ~~REPEALING THE~~
 8 ~~PROPERTY TAX ASSISTANCE PROGRAM FOR FIXED OR LIMITED INCOME, THE DISABLED VETERAN~~
 9 ~~PROGRAM, THE RESIDENTIAL PROPERTY TAX CREDIT FOR THE ELDERLY, AND THE INTANGIBLE~~
 10 ~~LAND VALUE PROPERTY EXEMPTION; PROVIDING THAT A TAXPAYER MAY CLAIM EITHER THE~~
 11 ~~CIRCUIT BREAKER TAX CREDIT OR THE RESIDENTIAL PROPERTY TAX CREDIT FOR THE ELDERLY~~
 12 ~~AND PARTICIPATE IN THE PROPERTY TAX ASSISTANCE PROGRAM OR THE DISABLED VETERAN~~
 13 ~~ASSISTANCE PROGRAM OR RECEIVE THE INTANGIBLE LAND VALUE PROPERTY EXEMPTION;~~
 14 PROVIDING DEFINITIONS; AMENDING SECTIONS ~~15-6-201, 15-6-240, 15-6-302,~~ 15-7-102, 15-16-101, ~~15-~~
 15 ~~16-102, 15-17-125, 15-18-112, 15-30-2303, 15-30-2338, AND 53-4-1103, 15-30-2341,~~ MCA; ~~REPEALING~~
 16 ~~SECTIONS 15-6-240, 15-6-301, 15-6-302, 15-6-305, 15-6-311, 15-6-312, 15-30-2337, 15-30-2338, 15-30-~~
 17 ~~2339, 15-30-2340, AND 15-30-2341,~~ MCA; AND PROVIDING A DELAYED EFFECTIVE DATES DATE AND
 18 AN APPLICABILITY DATE."

19
 20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

21
 22 NEW SECTION. Section 1. Property tax and rent-equivalent property tax circuit breaker credit -
 23 - definitions. As used in [sections 1 through 4], the following definitions apply:

- 24 (1) "Claim period" means the tax year for claimants required to file a Montana tax return or returns
- 25 under chapter 30 and the calendar year for claimants not required to file returns.
- 26 (2) "Claimant" means a person who is eligible to file a claim for a credit under [sections 1 through
- 27 4].
- 28 (3) "Gross rent" means the total rent in cash or its equivalent actually paid during the claim period

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1 by the renter or lessee for the right of occupancy of the qualified rental residence pursuant to an arm's-length
2 transaction with the landlord.

3 (4) (a) "Household" means an association of persons who live in the same dwelling, sharing its
4 furnishings, facilities, accommodations, and expenses.

5 (b) The term does not include bona fide lessees, tenants, or roomers and boarders on contract.

6 (5) "Household income" means all income received by all persons of a household in a tax year
7 while they are members of the household.

8 (6) (a) "Income" means, except as provided in subsection (6)(b), federal adjusted gross income,
9 without regard to loss, as that quantity is defined in the Internal Revenue Code, plus all nontaxable income,
10 including but not limited to:

11 (i) the amount of any pension or annuity, including Railroad Retirement Act benefits and veterans'
12 disability benefits;

13 (ii) the amount of capital gains excluded from adjusted gross income;

14 (iii) alimony;

15 (iv) support money;

16 (v) nontaxable strike benefits;

17 (vi) cash public assistance and relief;

18 (vii) interest on federal, state, county, and municipal bonds; and

19 (viii) all payments received under federal social security except social security income paid directly
20 to a nursing home.

21 (b) For the purposes of this subsection (6), income is reduced by the taxpayer's basis.

22 (7) "Property tax billed" means taxes levied against the qualified residence, including special
23 assessments and fees but excluding penalties or interest during the claim period.

24 (8) (a) (i) "Qualified rental residence" means any class four residential dwelling that is a single-
25 family dwelling unit, unit of a multiple-unit dwelling, trailer, manufactured home, or mobile home that is rented
26 from a third party, located in Montana, and subject to property taxes and as much of the surrounding land, not
27 exceeding 1 acre, as is reasonably necessary for its use as a dwelling.

28 (ii) The term includes a single-family dwelling unit or unit of a multiple-unit dwelling that is rented

1 from a county or municipal housing authority as provided in Title 7, chapter 15.

2 (b) Except for dwellings rented from a county or municipal housing authority, the term does not
3 include rented dwellings or rented lands that are not subject to Montana property taxes during the claim period.

4 (9) "Qualified residence" means any owner-occupied class four residential dwelling that is a single-
5 family dwelling unit, unit of a multiple-unit dwelling, trailer, manufactured home, or mobile home located in
6 Montana that is subject to property taxes and as much of the surrounding land, not exceeding 1 acre, as is
7 reasonably necessary for its use as a dwelling.

8 (10) "Rent-equivalent property tax paid" means 15% of gross rent.

9 (11) "Tax year" means the property tax year preceding the current year in which a claim for a
10 property tax circuit breaker credit is made.

11 (12) "Threshold amount" means the amount determined based on household income as follows:

- 12 (a) on the first \$20,000 of household income, 1%;
- 13 (b) on \$20,001 to \$40,000 of household income, 2.5%;
- 14 (c) on \$40,001 to \$60,000 of household income, 3.5%;
- 15 (d) on \$60,001 to \$80,000 of household income, 5.5%;
- 16 (e) on \$80,001 to \$100,000 of household income, 7.5%;
- 17 (f) on household income above \$100,000, 9.5%.

18

19 **NEW SECTION. Section 2. Property tax and rent-equivalent property tax circuit breaker credit -**

20 **- eligibility.** (1) In order to make a claim for a credit under [sections 1 through 4], the individual must have:

- 21 (a) resided in Montana for at least 9 months of the tax year for which the claim is made; ~~and~~
- 22 (b) occupied one or more qualified residences as an owner or one or more qualified rental

23 residences as a renter or lessee for at least 6 months of the tax year; and

24 (c) household income of less than \$130,000.

25 (2) A person is not disqualified from claiming the credit under [sections 1 through 4] because of a
26 change of residence during the claim period if the person occupies a qualified residence as an owner or a
27 qualified rental residence as a renter or lessee in Montana for at least 7 months during the claim period.

28 (3) A taxpayer may not claim the credit provided for in [sections 1 through 4] and the residential

1 property tax credit for the elderly provided for in 15-30-2337 through 15-30-2341.

2 ~~(3)(4)~~ Only one claim for a property tax circuit breaker credit or the residential property tax credit for
3 the elderly provided for in 15-60-2337 through 15-30-2341 may be made with respect to any qualified
4 residence.

5 ~~(4)(5)~~ A claim for the credit may not be allowed for any portion of property tax billed or rent-equivalent
6 property tax paid that is derived from a public tax subsidy program or a public rent subsidy program.

7 ~~(5)(6)~~ A claim is disallowed if the department finds that the claimant received title to the claimant's
8 qualified residence primarily for the purpose of receiving benefits under [sections 1 through 4].

9 ~~(6)(7)~~ When the landlord and tenant have not dealt at arm's length and the department judges the
10 gross rent charged to be excessive, the department may adjust the amount considered gross rent to a
11 reasonable amount.

13 **NEW SECTION. Section 3. Property tax and rent-equivalent property tax circuit breaker credit -**

14 **- credit amount.** (1) There is a credit against the taxes imposed by this chapter for a portion of property tax
15 billed or rent-equivalent property tax paid by a claimant in the tax year as provided in this section.

16 (2) The amount of the credit allowed under this section is equal to the property tax billed or rent-
17 equivalent property tax paid in the tax year times 0.75 minus the threshold amount.

18 (3) If the amount determined is equal to or less than zero, there is no credit.

19 (4) If two or more individuals share a qualified rental residence, each individual may claim the
20 credit based on the proportional share that the individual pays of the gross rent.

21 (5) If the amount of the credit exceeds the claimant's liability under this chapter, the amount of the
22 excess must be refunded to the claimant. The credit may be claimed even though the claimant has no taxable
23 income under this chapter.

25 **NEW SECTION. Section 4. Property tax and rent-equivalent property tax circuit breaker credit -**

26 **- filing date -- denial of claim.** (1) Except as provided in subsection (3), a claim for the credit must be
27 submitted at the same time the claimant's tax return is due under chapter 30. For an individual not required to
28 file a tax return, the claim must be submitted on or before April 15 of the year following the year for which the

1 credit is sought.

2 (2) A receipt showing property taxes billed or gross rent paid must be filed with each claim. Each
3 claimant shall, at the request of the department, supply all additional information necessary to support a claim.

4 (3) The department may grant a reasonable extension for filing a claim whenever, in its judgment,
5 good cause exists.

6 (4) If an individual who would have a claim under [sections 1 through 4] dies before filing the claim,
7 the personal representative of the estate of the decedent may file the claim.

8 (5) The department or an individual may revise a return and make a claim under [sections 1
9 through 4] within 3 years from the last day prescribed for filing a claim for relief.

10 (6) A person filing a false or fraudulent claim under the provisions of [sections 1 through 4] must be
11 charged with the offense of unsworn falsification to authorities pursuant to 45-7-203. If a false or fraudulent
12 claim has been paid, the amount paid, penalties, and interest may be recovered as provided in 15-1-216.

13

14 **Section 5. Section 15-6-201, MCA, is amended to read:**

15 ~~"15-6-201. Governmental, charitable, and educational categories exempt property. (1) The~~
16 ~~following categories of property are exempt from taxation:~~

17 ~~(a) except as provided in 15-24-1203, the property of:~~

18 ~~(i) the United States, except:~~

19 ~~(A) if congress passes legislation that allows the state to tax property owned by the federal~~
20 ~~government or an agency created by congress; or~~

21 ~~(B) as provided in 15-24-1103;~~

22 ~~(ii) the state, counties, cities, towns, and school districts;~~

23 ~~(iii) irrigation districts organized under the laws of Montana and not operated for gain or profit;~~

24 ~~(iv) municipal corporations;~~

25 ~~(v) public libraries;~~

26 ~~(vi) rural fire districts and other entities providing fire protection under Title 7, chapter 33;~~

27 ~~(vii) special districts created pursuant to Title 7, chapter 11, part 10; and~~

28 ~~(viii) subject to subsection (2), federally recognized Indian tribes in the state if the property is located~~

1 ~~entirely within the exterior boundaries of the reservation of the tribe that owns the property and the property is~~
2 ~~used exclusively by the tribe for essential government services. Essential government services are tribal~~
3 ~~government administration, fire, police, public health, education, recreation, sewer, water, pollution control,~~
4 ~~public transit, and public parks and recreational facilities.~~

5 ~~(b) — buildings and furnishings in the buildings that are owned by a church and used for actual~~
6 ~~religious worship or for residences of the clergy, not to exceed one residence for each member of the clergy,~~
7 ~~together with the land that the buildings occupy and adjacent land reasonably necessary for convenient use of~~
8 ~~the buildings, which must be identified in the application, and all land and improvements used for educational or~~
9 ~~youth recreational activities if the facilities are generally available for use by the general public but may not~~
10 ~~exceed 15 acres for a church or 1 acre for a clergy residence after subtracting any area required by zoning,~~
11 ~~building codes, or subdivision requirements;~~

12 ~~(c) — land and improvements upon the land, not to exceed 15 acres, owned by a federally~~
13 ~~recognized Indian tribe when the land has been set aside by tribal resolution and designated as sacred land to~~
14 ~~be used exclusively for religious purposes;~~

15 ~~(d) — property owned and used exclusively for agricultural and horticultural societies not operated for~~
16 ~~gain or profit;~~

17 ~~(e) — property, not to exceed 80 acres, which must be legally described in the application for the~~
18 ~~exemption, used exclusively for educational purposes, including dormitories and food service buildings for the~~
19 ~~use of students in attendance and other structures necessary for the operation and maintenance of an~~
20 ~~educational institution that:~~

21 ~~(i) — is not operated for gain or profit;~~

22 ~~(ii) — has an attendance policy; and~~

23 ~~(iii) — has a definable curriculum with systematic instruction;~~

24 ~~(f) — property, of any acreage, owned by a tribal corporation created for the sole purpose of~~
25 ~~establishing schools, colleges, and universities if the property meets the requirements of subsection (1)(e);~~

26 ~~(g) — property used exclusively for nonprofit health care facilities, as defined in 50-5-101, licensed by~~
27 ~~the department of public health and human services and organized under Title 35, chapter 2 or 3. A health care~~
28 ~~facility that is not licensed by the department of public health and human services and organized under Title 35,~~

1 ~~chapter 2 or 3, is not exempt.~~

2 ~~(h) — property that is:~~

3 ~~(i) — (A) owned and held by an association or corporation organized under Title 35, chapter 2, 3, 20,~~

4 ~~or 21; or~~

5 ~~(B) — owned by a federally recognized Indian tribe within the state and set aside by tribal resolution;~~

6 ~~and~~

7 ~~(ii) — devoted exclusively to use in connection with a cemetery or cemeteries for which a permanent~~

8 ~~care and improvement fund has been established as provided for in Title 35, chapter 20, part 3; and~~

9 ~~(iii) — not maintained and not operated for gain or profit;~~

10 ~~(i) — subject to subsection (2), property that is owned or property that is leased from a federal, state,~~

11 ~~or local governmental entity by institutions of purely public charity if the property is directly used for purely~~

12 ~~public charitable purposes;~~

13 ~~(j) — evidence of debt secured by mortgages of record upon real or personal property in the state of~~

14 ~~Montana;~~

15 ~~(k) — public museums, art galleries, zoos, and observatories that are not operated for gain or profit;~~

16 ~~(l) — motor vehicles, land, fixtures, buildings, and improvements owned by a cooperative association~~

17 ~~or nonprofit corporation organized to furnish potable water to its members or customers for uses other than the~~

18 ~~irrigation of agricultural land;~~

19 ~~(m) — the right of entry that is a property right reserved in land or received by mesne conveyance~~

20 ~~(exclusive of leasehold interests), devise, or succession to enter land with a surface title that is held by another~~

21 ~~to explore, prospect, or dig for oil, gas, coal, or minerals;~~

22 ~~(n) — (i) property that is owned and used by a corporation or association organized and operated~~

23 ~~exclusively for the care of persons with developmental disabilities, persons with mental illness, or persons with~~

24 ~~physical or mental impairments that constitute or result in substantial impediments to employment and that is~~

25 ~~not operated for gain or profit; and~~

26 ~~(ii) — subject to subsection (2)(e), property that is owned and used by an organization owning and~~

27 ~~operating facilities that are for the care of the retired, aged, or chronically ill and that are not operated for gain or~~

28 ~~profit;~~

~~(e) — property owned by a nonprofit corporation that is organized to provide facilities primarily for training and practice for or competition in international sports and athletic events and that is not held or used for private or corporate gain or profit. For purposes of this subsection (1)(e), "nonprofit corporation" means an organization that is exempt from taxation under section 501(c) of the Internal Revenue Code and incorporated and admitted under the Montana Nonprofit Corporation Act.~~

~~(p) — property rented or leased to a municipality or taxing unit for less than \$100 a year and that is used for public park, recreation, or landscape beautification purposes. For the purposes of this subsection (1)(p), "property" includes land but does not include buildings. The exemption must be applied for by the municipality or taxing unit, and not more than 10 acres within the municipality or taxing unit may be exempted.~~

~~(2) — (a) (i) For the purposes of tribal property under subsection (1)(a)(viii), the property subject to exemption may not be:~~

~~(A) — operated for gain or profit;~~

~~(B) — held under contract to operate, lease, or sell by a taxable individual;~~

~~(C) — used or possessed exclusively by a taxable individual or entity; or~~

~~(D) — held by a tribal corporation except for educational purposes as provided in subsection (1)(f).~~

~~(ii) — For the purposes of parks and recreational facilities under subsection (1)(a)(viii), the property must be:~~

~~(A) — set aside by tribal resolution and designated as park land, not to exceed 640 acres, or be designated as a recreational facility; and~~

~~(B) — open to the general public.~~

~~(b) — For the purposes of subsection (1)(b), the term "clergy" means, as recognized under the federal Internal Revenue Code:~~

~~(i) — an ordained minister, priest, or rabbi;~~

~~(ii) — a commissioned or licensed minister of a church or church denomination that ordains ministers if the person has the authority to perform substantially all the religious duties of the church or denomination;~~

~~(iii) — a member of a religious order who has taken a vow of poverty; or~~

~~(iv) — a Christian Science practitioner.~~

~~(c) — For the purposes of subsection (1)(i):~~

1 ~~(i) — the term "institutions of purely public charity" includes any organization that meets the following~~
2 ~~requirements:~~

3 ~~(A) — The organization offers its charitable goods or services to persons without regard to race,~~
4 ~~religion, creed, or gender and qualifies as a tax-exempt organization under the provisions of section 501(c)(3),~~
5 ~~Internal Revenue Code, as amended.~~

6 ~~(B) — The organization accomplishes its activities through absolute gratuity or grants. However, the~~
7 ~~organization may solicit or raise funds by the sale of merchandise, memberships, or tickets to public~~
8 ~~performances or entertainment or by other similar types of fundraising activities.~~

9 ~~(ii) — agricultural property owned by a purely public charity is not exempt if the agricultural property is~~
10 ~~used by the charity to produce unrelated business taxable income as that term is defined in section 512 of the~~
11 ~~Internal Revenue Code, 26 U.S.C. 512. A public charity claiming an exemption for agricultural property shall file~~
12 ~~annually with the department a copy of its federal tax return reporting any unrelated business taxable income~~
13 ~~received by the charity during the tax year, together with a statement indicating whether the exempt property~~
14 ~~was used to generate any unrelated business taxable income.~~

15 ~~(iii) — up to 15 acres of property owned by a purely public charity is exempt at the time of its purchase~~
16 ~~even if the property must be improved before it can directly be used for its intended charitable purpose. If the~~
17 ~~property is not directly used for the charitable purpose within 8 years of receiving an exemption under this~~
18 ~~section or if the property is sold or transferred before it entered direct charitable use, the exemption is revoked~~
19 ~~and the property is taxable. In addition to taxes due for the first year that the property becomes taxable, the~~
20 ~~owner of the property shall pay an amount equal to the amount of the tax due that year times the number of~~
21 ~~years that the property was tax-exempt under this section. The amount due is a lien upon the property and~~
22 ~~when collected must be distributed by the treasurer to funds and accounts in the same ratio as property tax~~
23 ~~collected on the property is distributed. At the time the exemption is granted, the department shall file a notice~~
24 ~~with the clerk and recorder in the county in which the property is located. The notice must indicate that an~~
25 ~~exemption pursuant to this section has been granted. The notice must describe the penalty for default under~~
26 ~~this section and must specify that a default under this section will create a lien on the property by operation of~~
27 ~~law. The notice must be on a form prescribed by the department.~~

28 ~~(iv) — not more than 160 acres may be exempted by a purely public charity under any exemption~~

1 ~~originally applied for after December 31, 2004. An application for exemption under this section must contain a~~
2 ~~legal description of the property for which the exemption is requested.~~

3 ~~(d) For the purposes of subsection (1)(k), the term "public museums, art galleries, zoos, and~~
4 ~~observatories" means governmental entities or nonprofit organizations whose principal purpose is to hold~~
5 ~~property for public display or for use as a museum, art gallery, zoo, or observatory. The exempt property~~
6 ~~includes all real and personal property owned by the public museum, art gallery, zoo, or observatory that is~~
7 ~~reasonably necessary for use in connection with the public display or observatory use. Unless the property is~~
8 ~~leased for a profit to a governmental entity or nonprofit organization by an individual or for-profit organization,~~
9 ~~real and personal property owned by other persons is exempt if it is:~~

- 10 ~~(i) actually used by the governmental entity or nonprofit organization as a part of its public display;~~
- 11 ~~(ii) held for future display; or~~
- 12 ~~(iii) used to house or store a public display.~~

13 ~~(e) For the purposes of facilities for the care of the retired, aged, or chronically ill under subsection~~
14 ~~(1)(n)(ii), the terms "retired" and "aged" mean an individual who satisfies the age is 62 years of age or older and~~
15 ~~has a gross household income limitations of 15-30-2338 of less than \$45,000. The property owner shall verify~~
16 ~~age and gross household income requirements on a form prescribed by the department. Applicants are subject~~
17 ~~to the false swearing penalties established in 45-7-202."~~

19 **Section 5.** Section 15-6-240, MCA, is amended to read:

20 **"15-6-240. Intangible land value property exemption -- application procedure.** (1) There is an
21 intangible land value assistance program that provides graduated levels of property tax exemptions to assist
22 owners of primary residences with land values that are disproportionate to the value of a primary residence and
23 improvements. To be eligible for the exemption, applicants must meet the requirements of this section.

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

27 (3) Subject to subsection ~~(6)~~ (7), if the total appraised value of the land is greater than 150% of the
28 appraised value of the primary residence and improvements situated on the land, then the land is valued at

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1 150% of the appraised value of the primary residence and improvements situated on the land, subject to the
2 minimum equalization of value requirement in subsection (4), and the remainder of the land value is exempt
3 from taxation.

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

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

9 (6) Property eligible for the exemption provided for in this section is not eligible for the property tax
10 assistance programs provided for in Title 15, chapter 6, part 3.

11 ~~(6)~~(7) (a) A claim for assistance must be filed by March 1 of the tax year for which the exemption is
12 sought, on an application form provided by the department. After an exemption is approved, the applicant
13 remains eligible for the exemption for the remainder of the 2-year valuation cycle provided for in 15-7-111 as
14 long as the property is continually used as a primary residence by the applicant. An applicant who does not
15 apply for assistance during the first year of the valuation cycle may apply during the second year of the cycle.

16 (b) The application form must contain:

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

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

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

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

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

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

27 ~~(7)~~(8) As used in this section the following definitions apply:

28 (a) "Land" means:

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

5 (ii) subject to the limitations in subsection ~~(7)(a)(i)~~(8)(a)(i), separately assessed land on which a
6 mobile or manufactured home is located, but only if the mobile or manufactured home and the land are both
7 owned by the applicant.

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

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

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

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

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

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

18

19 **Section 6.** Section 15-6-302, MCA, is amended to read:

20 **"15-6-302. Property tax assistance -- rulemaking.** (1) The requirements of this section must be met
21 for a taxpayer to qualify for property tax assistance under 15-6-305 or 15-6-311.

22 (2) For the property tax assistance programs provided for in 15-6-305 and 15-6-311, the residential
23 real property must be owned by the applicant or under contract for deed and be the primary residence as
24 defined in 15-6-301. The department shall make rules specifying the indicators used for determining whether a
25 residence is a primary residence for purposes of property tax assistance programs.

26 (3) An applicant's qualifying income, as defined in 15-6-301, may not exceed the threshold
27 established in 15-6-305 or 15-6-311 or in rules established pursuant to those sections.

28 (4) (a) A claim for assistance must be submitted on a form prescribed by the department.

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- 1 (b) The form must contain:
- 2 (i) the qualifying income of the applicant and the applicant's spouse;
- 3 (ii) an affirmation that the applicant owns and maintains the land and improvements as the primary
- 4 residence as defined in 15-6-301;
- 5 (iii) the social security number of the applicant and of the applicant's spouse; and
- 6 (iv) any other information required by the department that is relevant to the applicant's eligibility.
- 7 (5) (a) An application must be filed by April 15 of the year for which assistance is first claimed.
- 8 (b) Once assistance is approved, the applicant remains eligible for property tax assistance in
- 9 subsequent years through the annual verification process defined in 15-6-301 without the need to reapply.
- 10 (c) A taxpayer shall inform the department of any change in eligibility occurring from one year to
- 11 the next.
- 12 (6) The department may verify an applicant's and an applicant's spouse's social security number
- 13 and benefits with the social security administration and the U.S. department of veterans affairs.
- 14 (7) The department must-shall annually verify an applicant's eligibility, including the applicant's and
- 15 spouse's income, and approve, renew, or deny benefits for the current year based upon the findings.
- 16 (8) (a) When providing information for property tax assistance under 15-6-305 or 15-6-311,
- 17 applicants are subject to the false swearing penalties established in 45-7-202.
- 18 (b) The department may investigate the information provided in an application and an applicant's
- 19 continued eligibility.
- 20 (c) The department may request applicant verification of the primary residence.
- 21 (9) The department may address unusual circumstances of ownership and income that arise in
- 22 administering taxpayer assistance programs provided for in 15-6-305 and 15-6-311.
- 23 (10) A temporary stay in a nursing home or similar facility does not change a taxpayer's primary
- 24 residence for the purposes of taxpayer assistance programs provided for in 15-6-305 and 15-6-311.
- 25 (11) The department shall award property assistance under the property tax assistance program
- 26 that provides the greatest benefit to the taxpayer by reviewing applications and eligibility requirements, and
- 27 notify the applicant of the department's decision. Assistance may not be granted for property receiving the
- 28 intangible land value property exemption provided for in 15-6-240."

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Section 7. Section 15-7-102, MCA, is amended to read:

"15-7-102. Notice of classification, market value, and taxable value to owners -- appeals. (1) (a)

Except as provided in 15-7-138, the department shall mail or provide electronically to each owner or purchaser under contract for deed a notice that includes the land classification, market value, and taxable value of the land and improvements owned or being purchased. A notice must be mailed or, with property owner consent, provided electronically to the owner only if one or more of the following changes pertaining to the land or improvements have been made since the last notice:

- (i) change in ownership;
- (ii) change in classification;
- (iii) change in valuation; or
- (iv) addition or subtraction of personal property affixed to the land.

(b) The notice must include the following for the taxpayer's informational and informal classification and appraisal review purposes:

(i) ~~a notice of the availability of all the property tax assistance programs available to property taxpayers, including the intangible land value assistance program provided for in 15-6-240, the property tax assistance programs provided for in Title 15, chapter 6, part 3, and the residential property tax credit for the elderly provided for in 15-30-2337 through 15-30-2341~~ all the property tax assistance programs available to property taxpayers, including the intangible land value assistance program provided for in 15-6-240, the property tax assistance programs provided for in Title 15, chapter 6, part 3, the residential property tax credit for the elderly provided for in 15-30-2337 through 15-30-2341, and the property tax and rent-equivalent property tax circuit breaker credit provided for in [sections 1 through 4];

- (ii) the total amount of mills levied against the property in the prior year;
- (iii) the market value for the prior reappraisal cycle;
- (iv) if the market value has increased by more than 10%, an explanation for the increase in valuation;
- (v) a statement that the notice is not a tax bill; and
- (vi) a taxpayer option to request an informal classification and appraisal review by checking a box

1 on the notice and returning it to the department.

2 (c) When the department uses an appraisal method that values land and improvements as a unit,
3 including the sales comparison approach for residential condominiums or the income approach for commercial
4 property, the notice must contain a combined appraised value of land and improvements.

5 (d) Any misinformation provided in the information required by subsection (1)(b) does not affect the
6 validity of the notice and may not be used as a basis for a challenge of the legality of the notice.

7 (2) (a) Except as provided in subsection (2)(c), the department shall assign each classification and
8 appraisal to the correct owner or purchaser under contract for deed and mail or provide electronically the notice
9 in written or electronic form, adopted by the department, containing sufficient information in a comprehensible
10 manner designed to fully inform the taxpayer as to the classification and appraisal of the property and of
11 changes over the prior tax year.

12 (b) The notice must advise the taxpayer that in order to be eligible for a refund of taxes from an
13 appeal of the classification or appraisal, the taxpayer is required to pay the taxes under protest as provided in
14 15-1-402.

15 (c) The department is not required to mail or provide electronically the notice to a new owner or
16 purchaser under contract for deed unless the department has received the realty transfer certificate from the
17 clerk and recorder as provided in 15-7-304 and has processed the certificate before the notices required by
18 subsection (2)(a) are mailed or provided electronically. The department shall notify the county tax appeal board
19 of the date of the mailing or the date when the taxpayer is informed the information is available electronically.

20 (3) (a) If the owner of any land and improvements is dissatisfied with the appraisal as it reflects the
21 market value of the property as determined by the department or with the classification of the land or
22 improvements, the owner may request an informal classification and appraisal review by submitting an
23 objection on written or electronic forms provided by the department for that purpose or by checking a box on the
24 notice and returning it to the department in a manner prescribed by the department.

25 (i) For property other than class three property described in 15-6-133, class four property
26 described in 15-6-134, and class ten property described in 15-6-143, the objection must be submitted within 30
27 days from the date on the notice.

28 (ii) For class three property described in 15-6-133 and class four property described in 15-6-134,

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1 the objection may be made only once each valuation cycle. An objection must be made in writing or by
2 checking a box on the notice within 30 days from the date on the classification and appraisal notice for a
3 reduction in the appraised value to be considered for both years of the 2-year valuation cycle. An objection
4 made more than 30 days from the date of the classification and appraisal notice will be applicable only for the
5 second year of the 2-year valuation cycle. For an objection to apply to the second year of the valuation cycle,
6 the taxpayer shall make the objection in writing or by checking a box on the notice no later than June 1 of the
7 second year of the valuation cycle or, if a classification and appraisal notice is received in the second year of
8 the valuation cycle, within 30 days from the date on the notice.

9 (iii) For class ten property described in 15-6-143, the objection may be made at any time but only
10 once each valuation cycle. An objection must be made in writing or by checking a box on the notice within 30
11 days from the date on the classification and appraisal notice for a reduction in the appraised value to be
12 considered for all years of the 6-year appraisal cycle. An objection made more than 30 days after the date of
13 the classification and appraisal notice applies only for the subsequent remaining years of the 6-year reappraisal
14 cycle. For an objection to apply to any subsequent year of the valuation cycle, the taxpayer shall make the
15 objection in writing or by checking a box on the notice no later than June 1 of the year for which the value is
16 being appealed or, if a classification and appraisal notice is received after the first year of the valuation cycle,
17 within 30 days from the date on the notice.

18 (b) If the objection relates to residential or commercial property and the objector agrees to the
19 confidentiality requirements, the department shall provide to the objector, by posted mail or electronically, within
20 8 weeks of submission of the objection, the following information:

21 (i) the methodology and sources of data used by the department in the valuation of the property;
22 and

23 (ii) if the department uses a blend of evaluations developed from various sources, the reasons that
24 the methodology was used.

25 (c) At the request of the objector or a representative of the objector, and only if the objector or
26 representative signs a written or electronic confidentiality agreement, the department shall provide in written or
27 electronic form:

28 (i) comparable sales data used by the department to value the property;

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1 (ii) sales data used by the department to value residential property in the property taxpayer's

2 market model area; and

3 (iii) if the cost approach was used by the department to value residential property, the

4 documentation required in 15-8-111(3) regarding why the comparable sales approach was not reliable.

5 (d) For properties valued using the income approach as one approximation of market value, notice

6 must be provided that the taxpayer will be given a form to acknowledge confidentiality requirements for the

7 receipt of all aggregate model output that the department used in the valuation model for the property.

8 (e) The review must be conducted informally and is not subject to the contested case procedures

9 of the Montana Administrative Procedure Act. As a part of the review, the department may consider the actual

10 selling price of the property and other relevant information presented by the taxpayer in support of the

11 taxpayer's opinion as to the market value of the property. The department shall consider an independent

12 appraisal provided by the taxpayer if the appraisal meets standards set by the Montana board of real estate

13 appraisers and the appraisal was completed within 6 months of the valuation date pursuant to 15-8-201. If the

14 department does not use the appraisal provided by the taxpayer in conducting the appeal, the department shall

15 provide to the taxpayer the reason for not using the appraisal. The department shall give reasonable notice to

16 the taxpayer of the time and place of the review.

17 (f) After the review, the department shall determine the correct appraisal and classification of the

18 land or improvements and notify the taxpayer of its determination by mail or electronically. The department may

19 not determine an appraised value that is higher than the value that was the subject of the objection unless the

20 reason for an increase was the result of a physical change in the property or caused by an error in the

21 description of the property or data available for the property that is kept by the department and used for

22 calculating the appraised value. In the notification, the department shall state its reasons for revising the

23 classification or appraisal. When the proper appraisal and classification have been determined, the land must

24 be classified and the improvements appraised in the manner ordered by the department.

25 (4) Whether a review as provided in subsection (3) is held or not, the department may not adjust

26 an appraisal or classification upon the taxpayer's objection unless:

27 (a) the taxpayer has submitted an objection on written or electronic forms provided by the

28 department or by checking a box on the notice; and

1 (b) the department has provided to the objector by mail or electronically its stated reason in writing
2 for making the adjustment.

3 (5) A taxpayer's written objection or objection made by checking a box on the notice and
4 supplemental information provided by a taxpayer that elects to check a box on the notice to a classification or
5 appraisal and the department's notification to the taxpayer of its determination and the reason for that
6 determination are public records. The department shall make the records available for inspection during regular
7 office hours.

8 (6) If a property owner feels aggrieved by the classification or appraisal made by the department
9 after the review provided for in subsection (3), the property owner has the right to first appeal to the county tax
10 appeal board and then to the Montana tax appeal board, whose findings are final subject to the right of review
11 in the courts. The appeal to the county tax appeal board, pursuant to 15-15-102, must be filed within 30 days
12 from the date on the notice of the department's determination. A county tax appeal board or the Montana tax
13 appeal board may consider the actual selling price of the property, independent appraisals of the property, and
14 other relevant information presented by the taxpayer as evidence of the market value of the property. If the
15 county tax appeal board or the Montana tax appeal board determines that an adjustment should be made, the
16 department shall adjust the base value of the property in accordance with the board's order."

17

18 **Section 8.** Section 15-16-101, MCA, is amended to read:

19 **"15-16-101. Treasurer to publish notice -- manner of publication.** (1) Within 10 days after the
20 receipt of the property tax record, the county treasurer shall publish a notice specifying:

21 (a) that one-half of all taxes levied and assessed will be due and payable before 5 p.m. on the next
22 November 30 or within 30 days after the notice is postmarked and that unless paid prior to that time the amount
23 then due will be delinquent and will draw interest at the rate of 5/6 of 1% a month from the time of delinquency
24 until paid and 2% will be added to the delinquent taxes as a penalty;

25 (b) that one-half of all taxes levied and assessed will be due and payable on or before 5 p.m. on
26 the next May 31 and that unless paid prior to that time the taxes will be delinquent and will draw interest at the
27 rate of 5/6 of 1% a month from the time of delinquency until paid and 2% will be added to the delinquent taxes
28 as a penalty; and

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1 (c) the time and place at which payment of taxes may be made.

2 (2) (a) The county treasurer shall send to the last-known address of each taxpayer a written notice,
3 postage prepaid, showing the amount of taxes and assessments due for the current year and the amount due
4 and delinquent for other years. The written notice must include:

5 (i) the taxable value of the property;

6 (ii) the total mill levy applied to that taxable value;

7 (iii) itemized city services and special improvement district assessments collected by the county;

8 (iv) the number of the school district in which the property is located;

9 (v) the amount of the total tax due itemized by mill levy that is levied as city tax, county tax, state
10 tax, school district tax, and other tax;

11 (vi) an indication of which mill levies are voted levies, including voted levies to impose a new mill
12 levy, to increase a mill levy that is required to be submitted to the electors, or to exceed the mill levy limit
13 provided for in 15-10-420; and

14 (vii) a notice of the availability of ~~all the property tax assistance programs available to property~~
15 ~~taxpayers, including the intangible land value assistance program provided for in 15-6-240, the property tax~~
16 ~~assistance programs under Title 15, chapter 6, part 3, and the residential property tax credit for the elderly~~
17 ~~under 15-30-2337 through 15-30-2341~~ all the property tax assistance programs available to property taxpayers,
18 including the intangible land value assistance program provided for in 15-6-240, the property tax assistance
19 programs provided for in Title 15, chapter 6, part 3, the residential property tax credit for the elderly provided for
20 in 15-30-2337 through 15-30-2341, and the property tax and rent-equivalent property tax circuit breaker credit
21 provided for in [sections 1 through 4].

22 (b) If a tax lien is attached to the property, the notice must also include, in a manner calculated to
23 draw attention, a statement that a tax lien is attached to the property, that failure to respond will result in loss of
24 property, and that the taxpayer may contact the county treasurer for complete information.

25 (3) The municipality shall, upon request of the county treasurer, provide the information to be
26 included under subsection (2)(a)(iii) ready for mailing.

27 (4) The notice in every case must be given as provided in 7-1-2121. Failure to publish or post
28 notices does not relieve the taxpayer from any tax liability. Any failure to give notice of the tax due for the

1 current year or of delinquent tax will not affect the legality of the tax.

2 (5) If the department revises an assessment that results in an additional tax of \$5 or less, an
3 additional tax is not owed and a new tax bill does not need to be prepared."

4

5 **Section 8.** ~~Section 15-16-102, MCA, is amended to read:~~

6 ~~"15-16-102. Time for payment -- penalty for delinquency. Unless suspended or cancelled under~~
7 ~~the provisions of 10-1-606, 15-23-708, or Title 15, chapter 24, part 17, all taxes levied and assessed in the state~~
8 ~~of Montana, except assessments made for special improvements in cities and towns payable under 15-16-103,~~
9 ~~are payable as follows:~~

10 (1) ~~One half of the taxes are payable on or before 5 p.m. on November 30 of each year or within~~
11 ~~30 days after the tax notice is postmarked, whichever is later, and one half are payable on or before 5 p.m. on~~
12 ~~May 31 of each year.~~

13 (2) ~~Unless one half of the taxes are paid on or before 5 p.m. on November 30 of each year or~~
14 ~~within 30 days after the tax notice is postmarked, whichever is later, the amount payable is delinquent and~~
15 ~~draws interest at the rate of 5/6 of 1% a month from and after the delinquency until paid and 2% must be added~~
16 ~~to the delinquent taxes as a penalty.~~

17 (3) ~~All taxes due and not paid on or before 5 p.m. on May 31 of each year are delinquent and draw~~
18 ~~interest at the rate of 5/6 of 1% a month from and after the delinquency until paid, and 2% must be added to the~~
19 ~~delinquent taxes as a penalty.~~

20 (4) (a) ~~If the date on which taxes are due falls on a holiday or Saturday, taxes may be paid without~~
21 ~~penalty or interest on or before 5 p.m. of the next business day in accordance with 1-1-307.~~

22 (b) ~~If taxes on property qualifying under the property tax assistance program provided for in 15-6-305~~
23 ~~are paid within 20 calendar days of the date on which the taxes are due, the taxes may be paid without penalty~~
24 ~~or interest. If a tax payment is made later than 20 days after the taxes were due, the penalty must be paid and~~
25 ~~interest accrues from the date on which the taxes were due.~~

26 (5) (a) ~~A taxpayer may pay current year taxes without paying delinquent taxes. The county~~
27 ~~treasurer shall accept a partial payment equal to the delinquent taxes, including penalty and interest, for one or~~
28 ~~more full tax years if taxes currently due for the current tax year have been paid. Payment of taxes for~~

1 ~~delinquent taxes must be applied to the taxes that have been delinquent the longest. The payment of taxes for~~
2 ~~the current tax year is not a redemption of the property tax lien for any delinquent tax year.~~

3 ~~(b) A payment by a co-owner of an undivided ownership interest that is subject to a separate~~
4 ~~assessment otherwise meeting the requirements of subsection (5)(a) is not a partial payment.~~

5 ~~(6) The penalty and interest on delinquent assessment payments for specific parcels of land may~~
6 ~~be waived by resolution of the city council. A copy of the resolution must be certified to the county treasurer.~~

7 ~~(7) If the department revises an assessment that results in an additional tax of \$5 or less, an~~
8 ~~additional tax is not owed and a new tax bill does not need to be prepared.~~

9 ~~(8) The county treasurer may accept a partial payment of centrally assessed property taxes as~~
10 ~~provided in 76-3-207."~~

11

12 **Section 9.** Section 15-17-125, MCA, is amended to read:

13 **"15-17-125. Attachment of tax lien and preparation of tax lien certificate.** (1) (a) The county
14 treasurer shall attach a tax lien no later than the first working day in August to properties on which the taxes are
15 delinquent and for which proper notification was given as provided in 15-17-122 and subsection (4) of this
16 section. Upon attachment of a tax lien, the county is the possessor of the tax lien unless the tax lien is assigned
17 pursuant to 15-17-323.

18 (b) The county treasurer may not attach a tax lien to a property on which taxes are delinquent but
19 for which proper notice was not given.

20 (2) After attaching a tax lien, the county treasurer shall prepare a tax lien certificate that must
21 contain:

22 (a) the date on which the property taxes became delinquent;

23 (b) the date on which a property tax lien was attached to the property;

24 (c) the name and address of record of the person to whom the taxes were assessed;

25 (d) a description of the property on which the taxes were assessed;

26 (e) a separate listing of the amount of the delinquent taxes, penalties, interest, and costs;

27 (f) a statement that the tax lien certificate represents a lien on the property that may lead to the
28 issuance of a tax deed for the property;

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1 (g) a statement specifying the date on which the county or an assignee will be entitled to a tax
2 deed; and

3 (h) an identification number corresponding to the tax lien certificate.

4 (3) The tax lien certificate must be signed by the county treasurer. A copy of the tax lien certificate
5 must be filed by the treasurer in the office of the county clerk. A copy of the tax lien certificate must also be
6 mailed to the person to whom the taxes were assessed, at the address of record, together with a notice that the
7 person may contact the county treasurer for further information on property tax liens.

8 (4) Prior to attaching a tax lien to the property, the county treasurer shall send notice of the
9 pending attachment of a tax lien to the person to whom the property was assessed. The notice must include the
10 information listed in subsection (2), state that the tax lien may be assigned to a third party, and provide notice of
11 the availability of all the property tax assistance programs available to property taxpayers, including the
12 property tax assistance programs under Title 15, chapter 6, part 3, and the residential property tax credit for the
13 elderly under 15-30-2337 through 15-30-2341 availability of all the property tax assistance programs available
14 to property taxpayers, including the intangible land value assistance program provided for in 15-6-240, the
15 property tax assistance programs provided for in Title 15, chapter 6, part 3, the residential property tax credit for
16 the elderly provided for in 15-30-2337 through 15-30-2341, and the property tax and rent-equivalent property
17 tax circuit breaker credit provided for in [sections 1 through 4]. The notice must have been mailed at least 2
18 weeks prior to the date on which the county treasurer attaches the tax lien.

19 (5) The county treasurer shall file the tax lien certificate with the county clerk and recorder."
20

21 **Section 10. Section 15-18-112, MCA, is amended to read:**

22 **~~"15-18-112. Redemption from property tax lien — lien on interest in property for taxes paid. (1)~~**

23 ~~(a) Except as provided in subsections (1)(b) and subsection (4), in all cases in which a property tax lien has~~
24 ~~been assigned, the assignee may pay the subsequent taxes assessed against the property, once when~~
25 ~~delinquent, on or after June 1 and prior to July 31 if the taxes have not been paid by the property owner.~~

26 ~~(b) If the property qualifies for the property tax assistance program provided for in 15-6-305 and the~~
27 ~~taxes have not been paid by the property owner, the subsequent taxes may be paid after the time period~~
28 ~~provided for in 15-16-102(4)(b) and prior to July 31.~~

1 ~~(2) Upon redemption of the property tax lien, the redemptioner shall pay, in addition to the amount~~
2 ~~of the property tax lien, including penalties, interest, and costs, the subsequent taxes assessed, with interest~~
3 ~~and penalty at the rate established for delinquent taxes in 15-16-102.~~

4 ~~(3) An owner of less than all of the interest or a lienholder with an interest in real property who~~
5 ~~redeems a property tax lien on the property has a lien for the taxes paid on the interests of the property that are~~
6 ~~not owned by the redemptioner.~~

7 ~~(4) The property tax lien may also be redeemed for a particular tax year as provided in 15-16-~~
8 ~~102(5) if:~~

9 ~~(a) the property tax lien for the year in which the partial payment is made is owned by the county;~~

10 ~~and~~

11 ~~(b) the tax deed has not been issued pursuant to 15-18-211 or 15-18-220."~~

13 **Section 10.** Section 15-30-2303, MCA, is amended to read:

14 **"15-30-2303. Tax credits subject to review by interim committee.** (1) The following tax credits
15 must be reviewed during the biennium commencing July 1, 2019, and during each biennium commencing 10
16 years thereafter:

17 ~~(a) the credit for contractor's gross receipts provided for in 15-50-207; and~~

18 ~~(b) the credit for elderly homeowners and renters provided for in 15-30-2337 through 15-30-2341~~

19 ~~(b) the credit for elderly homeowners and renters provided for in 15-30-2337 through 15-30-2341;~~

20 ~~and~~

21 ~~(c) the property tax and rent-equivalent property tax circuit breaker credit provided for in [sections~~
22 ~~1 through 4].~~

23 (2) The following tax credits must be reviewed during the biennium commencing July 1, 2021, and
24 during each biennium commencing 10 years thereafter:

25 (a) the credit for donations to an educational improvement account provided for in 15-30-2334, 15-
26 30-3110, and 15-31-158; and

27 (b) the credit for donations to a student scholarship organization provided for in 15-30-2335, 15-
28 30-3111, and 15-31-159.

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1 (3) The following tax credits must be reviewed during the biennium commencing July 1, 2023, and
2 during each biennium commencing 10 years thereafter:

3 (a) the credit for infrastructure use fees provided for in 17-6-316;

4 (b) the credit for contributions to a qualified endowment provided for in 15-30-2327 through 15-30-
5 2329, 15-31-161, and 15-31-162; and

6 (c) the credit for property to recycle or manufacture using recycled material provided for in Title 15,
7 chapter 32, part 6.

8 (4) The following tax credits must be reviewed during the biennium commencing July 1, 2025, and
9 during each biennium commencing 10 years thereafter:

10 (a) the credit for preservation of historic buildings provided for in 15-30-2342 and 15-31-151;

11 (b) the credit for unlocking state lands provided for in 15-30-2380;

12 (c) the job growth incentive tax credit provided for in 15-30-2361 and 15-31-175; and

13 (d) the credit for trades education and training provided for in 15-30-2359 and 15-31-174.

14 (5) The following tax credits must be reviewed during the biennium commencing July 1, 2027, and
15 during each biennium commencing 10 years thereafter:

16 (a) the credit for hiring a registered apprentice or veteran apprentice provided for in 15-30-2357
17 and 15-31-173;

18 (b) the earned income tax credit provided for in 15-30-2318; and

19 (c) the media production and postproduction credits provided for in 15-31-1007 and 15-31-1009.

20 (6) The revenue interim committee shall review the tax credits scheduled for review and make
21 recommendations in accordance with 5-11-210 at the conclusion of the full review to the legislature about
22 whether to eliminate or revise the credits. The committee shall also review any tax credit with an expiration date
23 or termination date that is not listed in this section in the biennium before the credit is scheduled to expire or
24 terminate.

25 (7) The revenue interim committee shall review the credits using the following criteria:

26 (a) whether the credit changes taxpayer decisions, including whether the credit rewards decisions
27 that may have been made regardless of the existence of the tax credit;

28 (b) to what extent the credit benefits some taxpayers at the expense of other taxpayers;

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- 1 (c) whether the credit has out-of-state beneficiaries;
- 2 (d) the timing of costs and benefits of the credit and how long the credit is effective;
- 3 (e) any adverse impacts of the credit or its elimination and whether the benefits of continuance or
- 4 elimination outweigh adverse impacts; and
- 5 (f) the extent to which benefits of the credit affect the larger economy. (Subsection (4)(d)
- 6 terminates December 31, 2026--sec. 7, Ch. 248, L. 2021; subsection (4)(c) terminates December 31, 2028--
- 7 sec. 24(1), Ch. 550, L. 2021.)"

Section 12. ~~Section 15-30-2338, MCA, is amended to read:~~

~~"15-30-2338. Residential property tax credit for elderly -- eligibility -- disallowance or adjustment. (1) The credit provided for in 15-30-2337 through 15-30-2341 may be claimed on income tax returns filed in calendar year 2024 for property tax billed or rent-equivalent tax paid in income tax year 2023.~~

~~(2) In order to be eligible to make a claim under 15-30-2337 through 15-30-2341, an individual:~~

~~(a) must have reached age 62 or older during the claim period for which relief is sought;~~

~~(b) must have resided in Montana for at least 9 months of that period;~~

~~(c) must have occupied one or more dwellings in Montana as an owner, renter, or lessee for at least 6 months of the claim period; and~~

~~(d) must have less than \$45,000 of gross household income.~~

~~(2)(3) A person is not disqualified as a claimant if the person changes residences during the claim period, provided that the person occupies one or more dwellings in Montana as an owner, renter, or lessee for at least 6 months during the claim period.~~

~~(3)(4) A claim is disallowed if the department finds that the claimant received title to the claimant's homestead primarily for the purpose of receiving benefits under 15-30-2337 through 15-30-2341.~~

~~(4)(5) When the landlord and tenant have not dealt at arm's length and the department judges the gross rent charged to be excessive, the department may adjust the gross rent to a reasonable amount."~~

Section 11. Section 15-30-2341, MCA, is amended to read:

"15-30-2341. Residential property tax credit for elderly -- limitations -- denial of claim. (1) Only

1 one claimant per household in a claim period under the provisions of 15-30-2337 through 15-30-2341 is entitled
2 to relief.

3 ~~(2) A taxpayer may not claim the property tax and rent-equivalent property tax circuit breaker credit
4 provided for in [sections 1 through 4] and the residential property tax credit for the elderly.~~

5 ~~(2)(3) Except as provided in subsection ~~(3)~~ (4), a claim for relief may not be allowed for any portion of
6 property taxes billed or rent-equivalent taxes paid that is derived from a public rent or tax subsidy program.~~

7 ~~(3)(4) Except for dwellings rented from a county or municipal housing authority, a claim for relief may
8 not be allowed on rented lands or rented dwellings that are not subject to Montana property taxes during the
9 claim period.~~

10 ~~(4)(5) A person filing a false or fraudulent claim under the provisions of 15-30-2337 through 15-30-
11 2341 must be charged with the offense of unsworn falsification to authorities pursuant to 45-7-203. If a false or
12 fraudulent claim has been paid, the amount paid, penalties, and interest may be recovered as provided in 15-1-
13 216."~~

14
15 ~~Section 13. Section 53-4-1103, MCA, is amended to read:~~

16 ~~"53-4-1103. Definitions. For purposes of part 10 and this part, the following definitions apply:~~

17 ~~(1) "Comprehensive" means health insurance having benefits at least as extensive as those
18 provided under the children's health insurance program.~~

19 ~~(2) "Department" means the department of public health and human services provided for in 2-15-
20 2201.~~

21 ~~(3) "Enrollee" means a child who is enrolled or in the process of being enrolled in the plan,
22 including children already enrolled in the programs described in 53-4-1104(2).~~

23 ~~(4) (a) "Enrollment partner" means an organization or individual approved by the department to
24 assist in enrolling eligible children in the plan.~~

25 ~~(b) An enrollment partner may be but is not limited to:~~

26 ~~(i) a licensed health care provider;~~

27 ~~(ii) a school;~~

28 ~~(iii) a community-based organization; or~~

1 ~~(iv) — a government agency.~~

2 ~~(5) — "Habilitative services" means services to help a child maintain, learn, or improve skills and~~
3 ~~functioning for daily living or to prevent deterioration of skills and that may be offered in a variety of settings.~~

4 ~~The services include but are not limited to:~~

5 ~~(a) — physical therapy;~~

6 ~~(b) — occupational therapy;~~

7 ~~(c) — speech language pathology; and~~

8 ~~(d) — behavioral health treatment, including applied behavior analysis provided by a board-certified~~
9 ~~behavior analyst.~~

10 ~~(6) — "Health coverage" means a program administered by the department or a disability insurance~~
11 ~~plan, referred to in 33-1-207(1)(b), that provides public or private health insurance for children.~~

12 ~~(7) — "Income" has the meaning provided in 15-30-2337(9)(a) [section 1(6)(a)].~~

13 ~~(8) — "Plan" means the healthy Montana kids plan established in 53-4-1104.~~

14 ~~(9) — "Premium" means the amount of money charged to provide coverage under a public or private~~
15 ~~health coverage plan.~~

16 ~~(10) — "Presumptive eligibility" has the meaning provided in 42 CFR 457.355."~~

17
18 ~~**NEW SECTION. Section 14. Repealer.** The following sections of the Montana Code Annotated are~~
19 ~~repealed:~~

20 ~~15-6-240. — Intangible land value property exemption — application procedure.~~

21 ~~15-6-301. — Definitions.~~

22 ~~15-6-302. — Property tax assistance — rulemaking.~~

23 ~~15-6-305. — Property tax assistance program — fixed or limited income.~~

24 ~~15-6-311. — Disabled veteran program.~~

25 ~~15-6-312. — Time period for property tax assistance.~~

26
27 ~~**NEW SECTION. Section 15. Repealer.** The following sections of the Montana Code Annotated are~~
28 ~~repealed:~~

- 1 ~~15-30-2337. Residential property tax credit for elderly definitions.~~
- 2 ~~15-30-2338. Residential property tax credit for elderly eligibility disallowance or adjustment.~~
- 3 ~~15-30-2339. Residential property tax credit for elderly filing date.~~
- 4 ~~15-30-2340. Residential property tax credit for elderly computation of relief.~~
- 5 ~~15-30-2341. Residential property tax credit for elderly limitations denial of claim.~~

6

7 ~~**NEW SECTION. Section 16. Transition.** (1) The department may not accept applications or conduct~~
 8 ~~annual verification for the property tax assistance program for fixed or limited income or the disabled veteran~~
 9 ~~program after April 15, 2023. Property value reductions granted in 2023 remain in effect for property taxes due~~
 10 ~~November 30, 2023, and May 31, 2024.~~

11 ~~(2) The department may not accept applications for the intangible land value property exemption~~
 12 ~~after March 1, 2023. Exemptions granted in 2023 remain in effect for property taxes due November 30, 2023,~~
 13 ~~and May 31, 2024.~~

14

15 **NEW SECTION. Section 12. Codification instruction.** [Sections 1 through 4] are intended to be
 16 codified as an integral part of Title 15, chapter 30, and the provisions of Title 15, chapter 30, apply to [sections
 17 1 through 4].

18

19 ~~**NEW SECTION. Section 18. Effective dates.** (1) Except as provided in subsections (2) and (3), [this~~
 20 ~~act] is effective January 1, 2024.~~

21 ~~(2) [Sections 14 and 16] and this section are effective December 31, 2023.~~

22 ~~(3) [Section 15] is effective December 31, 2024.~~

23

24 **NEW SECTION. Section 13. Effective date.** [This act] is effective January 1, 2024.

25

26 **NEW SECTION. Section 14. Applicability.** [Sections 1 through 4] apply to property tax and rent-
 27 equivalent property tax circuit breaker credits claimed in income tax years beginning on or after January 1,
 28 2024, for property taxes billed after December 31, 2023.

Amendment - 1st Reading-white - (H) Taxation

- 2023

68th Legislature 2023

Drafter: Megan Moore, 406-444-4496

HB0280.001.003

1

- END -

AMEND