



GOVERNOR'S OFFICE OF  
BUDGET AND PROGRAM PLANNING

## Fiscal Note 2025 Biennium

**Bill information:**

HB0325 - Revise eligibility for disabled veteran property tax assistance program (Hellegaard, Lyn )

**Status:** As Amended in Senate Committee

- |                                                           |                                                        |                                                          |
|-----------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------------|
| <input type="checkbox"/> Significant Local Gov Impact     | <input type="checkbox"/> Needs to be included in HB 2  | <input type="checkbox"/> Technical Concerns              |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

### FISCAL SUMMARY

	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>	<u>FY 2026</u> <u>Difference</u>	<u>FY 2027</u> <u>Difference</u>
<b>Expenditures:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
<b>Revenue:</b>				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
<b>Net Impact-General Fund Balance:</b>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

**Description of fiscal impact:** HB 325 as amended in the Senate Taxation Committee, specifically defines several unusual circumstances the Department of Revenue (DOR) must consider when a qualified veteran has income in a year that reduces their benefit or disqualifies them from the program. The exceptions are unusual circumstances and unforeseen events. The changes effectively clarify current law and have *de minimums* impact to State and local jurisdictions.

### FISCAL ANALYSIS

**Assumptions:****Department of Revenue**

1. The Montana Disabled Veteran (MDV) program works by exempting portions of the market value of the primary residence of a qualified disabled veteran or disabled veteran's spouse. The exempts all or a portion of a qualified disabled veteran's property value from taxation based on income levels.

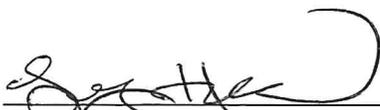
2. The current breakdown of exemption status for TY 2022 is shown in the table below.

Exemption	Properties	Market Value	Taxable Value
50%	58	\$17,422,818	\$118,483
70%	79	\$20,783,810	\$85,226
80%	72	\$21,599,857	\$58,324
100%	2820	\$668,931,948	\$0

3. The amendments in the Senate Taxation Committee restore the income criteria to present law.
4. The MDV program currently allows the Department of Revenue (DOR) to consider “unusual circumstances” of income when applying the exemption amounts to qualified applicants.
5. HB 325 lists several unusual circumstances of income that the DOR may consider in approving or denying exemptions. The department would amend MDV program rules to those circumstances, but as these are essentially current law conditions. The fiscal note does not contemplate the effect of these provisions as they are unpredictable exceptions to usual applications, that are generally addressed in current law, if not practice.

**Effect on County or Other Local Revenues or Expenditures:**

1. HB 325 as amended, is not expected to reduce statewide taxable value from present law.

  
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 Sponsor's Initials

4/11/2023  
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 Date

  
 \_\_\_\_\_  
 Budget Director's Initials

4-11-23  
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 Date