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HOUSE BILL NO. 390

INTRODUCED BY S. ESSMANN, C. KNUDSEN, G. NIKOLAKAKOS, B. MITCHELL, J. ETCHART, R. MINER,  
J. KASSMIER, L. DEMING, Z. WIRTH, N. HASTINGS

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR A HOMESTEAD EXEMPTION FOR A DWELLING USED AS A PRIMARY RESIDENCE; PROVIDING THAT A PORTION OF THE HOMESTEAD EXEMPTION IS NOT APPLICABLE TO THE STATEWIDE SCHOOL EQUALIZATION MILLS; PROVIDING ELIGIBILITY REQUIREMENTS; PROVIDING DEFINITIONS; AMENDING SECTIONS 15-7-102, 15-16-101, AND 15-17-125, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

NEW SECTION. Section 1. Homestead exemption -- eligibility -- recapture -- definitions. (1)

Except as provided in subsection ~~(10)~~ ~~(11)~~, there is a homestead exemption ~~of \$50,000 of appraised value~~ for class four residential property owned and used as a primary residence. To be eligible for the exemption, the applicant must meet the requirements of this section.

(2) The homestead exemption is determined as follows:

(a) the first \$25,000 of assessed value is fully exempt; and

(b) an additional \$25,000 of assessed value is exempt from all property taxes except for those provided for in 20-9-331, 20-9-333, and 20-9-360.

~~(2)~~(3) The residential property must be owned or under contract for deed by the applicant and be used by the applicant as a primary residence in the tax year for which the exemption is claimed.

~~(3)~~(4) The applicant must apply for the homestead exemption by March 1 of the year in which the exemption is first claimed on forms provided by the department. The application form must contain:

(a) an affirmation that the applicant owns and uses the property as a primary residence; and

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

~~(4)~~(5) When providing information to the department for qualification under this section, applicants

**Amendment - 1st Reading-white - Requested by: Sherry Essmann - (H) Taxation**

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Drafter: Megan Moore, 406-444-4496

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1 are subject to the false swearing penalties established in 45-7-202. Any person who knowingly and willfully  
2 gives false information for the purpose of claiming a homestead exemption as provided in this section is guilty  
3 of a misdemeanor, punishable by a fine not to exceed \$5,000 or imprisonment in the county jail for a term not to  
4 exceed 1 year, or both.

5 ~~(5)~~(6) (a) On application for the homestead exemption, the department shall determine whether the  
6 property qualifies as a primary residence.

7 (b) The department shall verify at least two of the following:

8 (i) a valid Montana driver's license, Montana state identification card, or tribal identification card;

9 (ii) a Montana motor vehicle registration;

10 (iii) resident filing status listed on the Montana income tax return filed by applicant.

11 (c) The department may also consider but is not limited to the following:

12 (i) the place of employment of the applicant;

13 (ii) proof of voter registration in Montana;

14 (iii) evidence of the location where the applicant's dependent children are registered for school;

15 (iv) the address listed on the federal income tax return filed by the applicant;

16 (v) the location where the applicant's bank statements and checking accounts are registered; and

17 (vi) proof of payment of utilities at the property for which primary residency is being claimed.

18 ~~(6)~~(7) The department may investigate the information provided in an application and an applicant's  
19 continued eligibility.

20 ~~(7)~~(8) Following approval for the homestead exemption, the applicant remains eligible for the  
21 exemption in subsequent years as long as the applicant continues to use the property as a primary residence.

22 The department may request verification that a property granted a homestead exemption is being used as a  
23 primary residence.

24 ~~(8)~~(9) (a) Except as provided in subsection ~~(8)(b)~~(9)(b), the rental of all or substantially all of a single-  
25 family dwelling previously eligible for a homestead exemption constitutes the abandonment of the dwelling as a  
26 primary residence, and the abandonment continues until the dwelling is physically occupied by the applicant.  
27 The abandonment of the primary residence after January 1 of any year does not affect the homestead  
28 exemption for that year unless the property is rented for more than 30 days.

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1 (b) Subsection ~~(8)(a)(9)(a)~~ does not apply to a member of the armed forces of the United States on  
2 active duty. Valid military orders transferring a member of the armed forces are sufficient to maintain a primary  
3 residence for the purpose of the homestead exemption.

4 ~~(9)(10)~~ An applicant may only receive the homestead exemption for one property at a time. If the  
5 applicant sells a property for which a homestead exemption is granted and purchases a new property eligible  
6 for the homestead exemption, the applicant shall reapply for the homestead exemption.

7 ~~(10)(11)(a)~~ A taxpayer may not claim the homestead exemption if the taxpayer receives benefits from  
8 any of the following:

9 ~~(a)(i)~~ the intangible land value assistance program provided for in 15-6-240;

10 ~~(b)(ii)~~ the property tax assistance program provided for in 15-6-305;

11 ~~(c)(iii)~~ the disabled veteran program provided for in 15-6-311; or

12 ~~(d)(iv)~~ the mobile home exemption provided for in 15-6-241.

13 (b) Upon application for the homestead exemption, the department shall determine which of the  
14 programs provided for in subsection (11)(a) provides the greatest benefit to the taxpayer by reviewing the  
15 application and eligibility requirements, enroll the taxpayer in that program, and notify the applicant.

16 ~~(11)(12)~~ The department shall mail a notice of the availability of the homestead exemption to all  
17 residential property owners by July 1, 2023.

18 ~~(12)(13)~~ As used in this section, the following definitions apply:

19 (a) "Primary residence" means a single-family dwelling owned and occupied for at least 7 months  
20 of the year in which a person has a true, fixed, and permanent home and principal establishment to which,  
21 whenever absent, the person has the intention of returning. A person may have only one primary residence at a  
22 time and, when a primary residence is established in a foreign state or country, it is presumed to continue until  
23 the person shows that a change has occurred.

24 (b) "Single-family dwelling" means a residential dwelling, manufactured home, trailer, mobile  
25 home, condominium unit, or a unit of a multiple-unit dwelling.

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27 **Section 2.** Section 15-7-102, MCA, is amended to read:

28 **"15-7-102. Notice of classification, market value, and taxable value to owners -- appeals. (1) (a)**