

HOUSE BILL NO. 213

INTRODUCED BY E. BYRNE, K. LOVE, T. SHARP, B. MITCHELL

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE PROPERTY TAX RATE FOR CLASS FOUR RESIDENTIAL AND COMMERCIAL PROPERTY; AMENDING SECTION 15-6-134, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

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

Section 1. Section 15-6-134, MCA, is amended to read:

"15-6-134. Class four property -- description -- taxable percentage. (1) Class four property includes:

- (a) subject to subsection (1)(e), all land, except that specifically included in another class;
- (b) subject to subsection (1)(e):
 - (i) all improvements, including single-family residences, trailers, manufactured homes, or mobile homes used as a residence, except those specifically included in another class;
 - (ii) appurtenant improvements to the residences, including the parcels of land upon which the residences are located and any leasehold improvements;
 - (iii) vacant residential lots; and
 - (iv) rental multifamily dwelling units.
- (c) all improvements on land that is eligible for valuation, assessment, and taxation as agricultural land under 15-7-202, including 1 acre of real property beneath improvements on land described in 15-6-133(1)(c). The 1 acre must be valued at market value.
- (d) 1 acre of real property beneath an improvement used as a residence on land eligible for valuation, assessment, and taxation as forest land under 15-6-143. The 1 acre must be valued at market value.
- (e) all commercial and industrial property, as defined in 15-1-101, and including:
 - (i) all commercial and industrial property that is used or owned by an individual, a business, a trade, a corporation, a limited liability company, or a partnership and that is used primarily for the production of

1 income;

2 (ii) all golf courses, including land and improvements actually and necessarily used for that
3 purpose, that consist of at least nine holes and not less than 700 lineal yards;

4 (iii) commercial buildings and parcels of land upon which the buildings are situated; and

5 (iv) vacant commercial lots.

6 (2) If a property includes both residential and commercial uses, the property is classified and
7 appraised as follows:

8 (a) the land use with the highest percentage of total value is the use that is assigned to the
9 property; and

10 (b) the improvements are apportioned according to the use of the improvements.

11 (3) (a) Except as provided in 15-24-1402, 15-24-1501, 15-24-1502, and subsection (3)(b), class
12 four residential property described in subsections (1)(a) through (1)(d) of this section is taxed at ~~1.35%~~ 0.76%
13 of market value.

14 (b) The tax rate for the portion of the market value of a single-family residential dwelling in excess
15 of \$1.5 million is ~~the residential property tax rate in subsection (3)(a) multiplied by 1.4~~ 1.35%.

16 (c) The tax rate for commercial property is ~~the residential property tax rate in subsection (3)(a)~~
17 ~~multiplied by 1.4~~ 1.35%.

18 (4) Property described in subsection (1)(e)(ii) is taxed at one-half the tax rate established in
19 subsection (3)(c)."

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21 NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

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23 NEW SECTION. Section 3. Retroactive applicability. [This act] applies retroactively, within the
24 meaning of 1-2-109, to tax years beginning after December 31, 2024, and to the reappraisal cycle beginning
25 January 1, 2025.

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