



AN ACT REVISING PROPERTY TAXES FOR SENIOR CARE AND HOUSING; PROVIDING A TEMPORARY TAX EXEMPTION FOR SENIOR CARE AND HOUSING DEVELOPMENT PROJECTS; REQUIRING APPROVAL BY THE GOVERNING BODY OF A LOCAL GOVERNMENT; PROVIDING FOR AN EXTENSION OF THE TAX EXEMPTION FOR CERTAIN PROPERTY; PROVIDING FOR TERMINATION OF THE TAX EXEMPTION FOR CERTAIN EVENTS; PROVIDING RULEMAKING AUTHORITY; PROVIDING DEFINITIONS; AMENDING SECTION 15-10-305, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

Section 1. Short title. [Sections 1 through 8] may be cited as the "Senior Care Facilities and Housing Development Exemption Act".

Section 2. Legislative purpose. The legislature finds and declares that there is a shortage in this state of decent, safe, and sanitary, senior care and housing facilities that is affordable for all seniors. To alleviate the high cost of facilities and housing for all seniors, the legislature believes it is essential that property tax incentives be made available to tax-exempt organizations that assist senior Montanans in meeting critical housing needs.

Section 3. Definitions. As used in [sections 1 through 8], unless the context clearly indicates otherwise, the following definitions apply:

- (1) "Board" means the board of directors for a tax-exempt senior care and housing sponsor.
- (2) "Department" means the department of revenue provided for in 2-15-1301.
- (2) (a) "Local government" means the county, consolidated government, or incorporated city or town where the senior development project is located or proposed to be located.

(b) The term does not include the county if the senior development project is located or proposed to be located in an incorporated city or town.

(3) "Property owner-operator" means a corporation that is incorporated or admitted under a certificate of authority under the laws of the state and that leases or purchases property for senior care facilities and housing or related facilities, which may include a purchase from a tax-exempt senior care and housing sponsor.

(4) "Senior care facilities" means some or all levels of a continuum of care. The term includes but is not limited to independent living and housing, semi-independent living and housing, assisted living, in-home nursing or assistant care, memory care, short-term or long-term medical care, or hospice.

(5) "Senior care facilities and housing" means senior care facilities and senior housing:

- (a) specifically designed and operated to assist and benefit elderly persons;
- (b) intended for, and solely occupied by, persons 62 years of age or older; or
- (c) intended and operated for occupancy by at least one person 55 years of age or older in each unit in accordance with the provisions of 42 U.S.C. 3607(b)(2)(C) and (b)(3) through (b)(5), as those provisions read on March 31, 1996.

(6) (a) "Senior care and housing development project" means single-family homes and multifamily projects for the primary purpose of acquiring land for, constructing, or rehabilitating accommodations for senior care facilities and housing that may be retained and rented or sold to a property owner-operator for senior care facilities and housing.

(b) The development process includes:

- (i) the acquisition of property, not to exceed 250 acres;
- (ii) the planning of the buildings, infrastructure, utilities, and improvements;
- (iii) permitting;
- (iv) the demolition of existing structures; and
- (v) the construction, reconstruction, alteration, and repair of the improvements.

(7) "Tax-exempt senior care and housing sponsor" means a charitable nonprofit corporation that is exempt from taxation under 26 U.S.C. 501(c)(3), as amended, and incorporated or admitted under a certificate of authority under the Montana Nonprofit Corporation Act as provided in Title 35, chapter 2, and whose articles

of incorporation provide in addition that:

- (a) the charitable organization has been organized exclusively to obtain land and assist senior care and housing development projects;
- (b) all of the income and earnings of the organization must be used exclusively for senior care and housing development project purposes, and part of the net income or net earnings of the organization may not inure to the benefit or profit of any private individual, firm, corporation, partnership, or association; and
- (c) the charitable organization is in no manner controlled by, under the direction of, or acting in the substantial interest of any private individual, firm, partnership, or association seeking to derive profit or gain from the organization or seeking to eliminate or minimize losses in any transactions with the organization.

Section 4. Petition -- approval or denial by local government -- compelling need for senior care and housing development project. (1) A tax-exempt senior care and housing sponsor may file a petition with a local government requesting preapproval of a property tax exemption for a senior care and housing development project. The petition must include sufficient information regarding property development, including the buildings, land, equipment, facilities, or other real or personal properties that are necessary, convenient, related, or desirable in connection with the development of senior care facilities and housing, including but not limited to streets, sewers, utilities, parks, site preparation, landscaping, and other nonhousing facilities that the tax-exempt senior care and housing sponsor determines to be necessary, convenient, related, or desirable.

(2) Upon the filing of the petition, the local government shall give notice of the time, place, and purpose of a public hearing at which the governing body of the local government shall determine whether there is a need for the senior care and housing development project.

(3) If the governing body determines there is a compelling need for the senior care and housing development project, it shall adopt a resolution approving the petition. If the governing body approves the petition, the tax-exempt senior care and housing sponsor may apply for a property tax exemption pursuant to [section 6] within 2 years after the approval.

(4) If the governing body, after a hearing, determines that there is not a compelling need for a senior care and housing development project, it shall adopt a resolution denying the petition. After 3 months have expired following the date of the denial of a petition, subsequent petitions may be filed, and new hearings

and determinations may be made on the petitions.

Section 5. Projects subject to existing development laws -- preference for senior care facilities and housing authorized. (1) A senior care and housing development project is subject to the planning, zoning, sanitary, and building laws, ordinances, and regulations applicable to the locality in which the housing project is situated.

(2) A property owner-operator or tax-exempt senior care and housing sponsor shall extend preference in occupancy for senior care facilities and housing.

Section 6. Temporary exemption for senior care and housing development project -- rulemaking. (1) If the governing body approves a petition for a senior care and housing development project pursuant to [section 4], the board of the tax-exempt senior care and housing sponsor may submit a property tax exemption application to the department. The application must include the petition that was submitted to the governing body and the resolution approving the petition. After the department has approved the exemption application, the property of the senior care and housing development project is temporarily exempt from all property taxation at the start of the property tax year beginning January 1 after the approval.

(2) At the time the exemption is granted, the department shall provide a notice to the clerk and recorder in the county where the property is located, and the clerk shall file the notice. The notice must indicate that an exemption pursuant to this section has been granted on a form prescribed by the department.

(3) Subject to subsection (5), the temporary exemption applies to all real property owned by a property owner-operator or a tax-exempt senior care and housing sponsor within the senior care and housing development project, including new construction, for a period equal to the lesser of 5 years or until the development is final and operational. A tax-exempt property owner-operator or tax-exempt senior care and housing sponsor may rent homes and multifamily projects for senior care facilities and housing without loss of the temporary exemption.

(4) During the year in which the exemption provided for in subsection (3) expires, a tax-exempt property owner-operator or the board of a tax-exempt senior care and housing sponsor may submit a renewal application to the department for an additional 5-year exemption. The exemption applies to all property owned

by the tax-exempt property owner-operator or tax-exempt senior care and housing sponsor that is used for senior care facilities and senior housing facilities.

(5) The exemptions in subsections (3) and (4) expire at the start of the property tax year beginning on January 1 for a lot or structure that is leased or sold by the tax-exempt senior care and housing sponsor to anyone other than a tax-exempt property owner-operator.

(6) Subject to subsection (7), the donor of property to a tax-exempt senior care and housing sponsor may retain a portion of land within the senior care and housing development project and receive a property tax exemption until the earliest of:

- (a) the expiration of the exemption;
- (b) the date the project becomes operational by filling beds, an apartment, or other living facility; or
- (c) when a commercial business is open to the public.

(7) The senior care and housing development project may not be composed of more than 20% of land that is used for complementary ancillary commercial businesses other than senior care facilities and senior housing, including but not limited to doctor's offices, rehabilitation facilities, grocery or convenience stores, neighborhood restaurants, pharmacies, and workforce housing related to employment at senior care facilities.

Section 7. Reports to local government by tax-exempt senior care and housing sponsor. The board of a tax-exempt senior care and housing sponsor shall, at least once a year, file with the governing body of the local government a report of its activities for the preceding year until the property tax exemption in [section 6] expires.

Section 8. Rulemaking. The department may adopt rules to implement the provisions of [sections 1 through 8].

Section 9. Section 15-10-305, MCA, is amended to read:

"15-10-305. Clerk and recorder to report mill levy -- department to compute and enter taxes. (1)

(a) The county clerk and recorder shall by the second Monday in September or within 30 calendar days after receiving certified taxable values notify the department of the number of mills needed to be levied for each

taxing jurisdiction in the county. Except as provided in subsection (1)(b), the department shall compute the taxes by multiplying the number of mills times the taxable value of the property to be taxed and shall add any fees or assessments required to be levied against a person owning property. All taxes, fees, and assessments must be itemized for the property listed in the property tax record.

(b) ~~In~~ Except as provided in [section 6] regarding a property tax exemption for a senior care and housing development project, in conveyances that result in a land split, the taxes must be based on the property as assessed on January 1 preceding the conveyance. The department is not required to include the name of the new owner in the computation of the amount of taxes, fees, and assessments to be levied against property that is part of a land conveyance if including the new owner's name would cause the department to violate the deadline provided in subsection (2).

(2) The department shall complete the computation of the amount of taxes, fees, and assessments to be levied against the property and shall notify the county clerk and recorder and the county treasurer by the second Monday in October. Notwithstanding the provisions of 15-10-321, if a county clerk and recorder fails to timely notify the department of the number of mills needed to be levied for each taxing jurisdiction in that county in accordance with subsection (1)(a), the department must have additional time to meet the notification requirement of this subsection (2) equal to the number of days that the notification required in subsection (1)(a) was received late by the department."

Section 10. Codification instruction. [Sections 1 through 8] are intended to be codified as a new part in Title 15, chapter 6, and the provisions of Title 15, chapter 6, apply to [sections 1 through 8].

Section 11. Applicability. [This act] applies to property tax years beginning after December 31, 2025.

- END -

I hereby certify that the within bill,
HB 920, originated in the House.

Chief Clerk of the House

Speaker of the House

Signed this _____ day
of _____, 2025.

President of the Senate

Signed this _____ day
of _____, 2025.

HOUSE BILL NO. 920

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