

HOUSE BILL NO. 906

INTRODUCED BY T. FALK, B. MERCER, J. SCHILLINGER

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR A PROPERTY TAX REBATE ON A PRINCIPAL RESIDENCE BASED ON A CERTAIN AMOUNT OF PROPERTY TAXES PAID; PROVIDING A REBATE OF PROPERTY TAXES UP TO \$330 FOR TAX YEAR 2024 FOR A PRINCIPAL RESIDENCE THAT WAS OCCUPIED BY THE TAXPAYER; PROVIDING A STATUTORY APPROPRIATION; AMENDING SECTIONS 15-1-2301, 15-1-2302, 15-1-2304, AND 17-7-209, MCA; AMENDING SECTION 10, CHAPTER 47, LAWS OF 2023; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 15-1-2301, MCA, is amended to read:

"15-1-2301. (Temporary) Definitions. As used in this part, the following definitions apply:

(1) "Montana property taxes" means the ad valorem property taxes, special assessments, and other fees imposed on property classified under 15-6-134 that is a single-family dwelling unit, unit of a multiple-unit dwelling, trailer, manufactured home, or mobile home and as much of the surrounding land, not exceeding 1 acre, as is reasonably necessary for its use as a dwelling and that were assessed and paid by the taxpayer as follows:

(a) ~~for tax year 2022, the amount of Montana property taxes assessed and paid is equal to the total amount billed by the local government for the dwelling as shown on the 2022 2024 property tax bill received by the taxpayer; and~~

(b) ~~for tax year 2023, the amount of Montana property taxes assessed and paid is equal to the total amount billed by the local government for the dwelling as shown on the 2023 property tax bill received by the taxpayer.~~

(2) "Owned" includes purchasing under a contract for deed and being the grantor or grantors under a revocable trust indenture.

(3) (a) "Principal residence" is, subject to the provisions of subsection (3)(b), a dwelling:

(i) in which a taxpayer can demonstrate the taxpayer owned and lived in for at least 7 months of the year for which the rebate is claimed;

(ii) that is the only residence for which the property tax rebate is claimed; and

(iii) for which the taxpayer made payment of the assessed Montana property taxes during tax year ~~2022 and tax year 2023~~ 2024.

(b) A taxpayer that cannot meet the requirements of subsection (3)(a)(i) because the taxpayer's principal residence changes during the tax year to another principal residence may still claim a rebate if the taxpayer paid the Montana property taxes while residing in each principal residence for a total of at least 7 consecutive months for each tax year.

(4) "Tax year ~~2022~~ 2024" means the period January 1, ~~2022~~ 2024, through December 31, ~~2022~~ 2024.

(5) ~~"Tax year 2023" means the period January 1, 2023, through December 31, 2023. (Terminates June 30, 2025~~ 2026 ~~--sec. 10, Ch. 47, L. 2023, sec. 10, Ch. 764, L. 2023.)"~~

Section 2. Section 15-1-2302, MCA, is amended to read:

"15-1-2302. (Temporary) Property tax rebate -- manner of claiming -- limitations -- appropriation. (1) Subject to the conditions provided for in this part, there is a rebate of Montana property taxes in the amount of:

(a) ~~—\$500~~ \$319 or the amount of total property taxes paid, whichever is less, for tax year ~~2022~~; and

(b) ~~—\$500 or the amount of total property taxes paid, whichever is less, for tax year 2023~~ 2024.

(2) The rebate provided for in subsection (1) is for Montana property taxes assessed to and paid by a taxpayer or taxpayers on property they owned and occupied as a principal residence during the relevant tax year.

(3) The department shall mail a notice to potential claimants by June 30, ~~2023~~ 2025, for tax year ~~2022~~ 2024 and by June 30, ~~2024~~, for tax year ~~2023~~. Receipt of a notice does not establish that a taxpayer or property owner is eligible for a rebate, and a taxpayer who does not receive a notice may still be eligible to claim a rebate. All taxpayers, regardless of the receipt of notice, shall claim a rebate as provided in subsection (5).

(4) Except as provided in subsections (5)(c) and (5)(d), a single-family dwelling unit, unit of a multiple-unit dwelling, trailer, manufactured home, or mobile home and as much of the surrounding land, not exceeding 1 acre that is owned by an entity is not eligible to claim the rebate.

(5) (a) All claims for this property tax rebate must be submitted to the department electronically or by mail ~~for each tax year the rebate is claimed.~~

(i) Electronic claims must be submitted between August 15 and October 1 ~~each year~~ through the department's website.

(ii) Claims submitted by mail must be made on a form prescribed by the department and postmarked by October 1 ~~each year~~.

(b) Subject to subsections (5)(c) and (5)(d), a claim for rebate must be submitted, under penalty of false swearing and the penalties provided in 15-1-2303, on a form prescribed by the department and must contain:

(i) an affirmation that the claimant owns and maintains the land and improvements as the principal residence as defined in 15-1-2301;

(ii) the geocode or other property identifier for the principal residence that the claimant is requesting the rebate on;

(iii) the social security number of the claimant, the claimant's spouse, and any dependents; and

(iv) any other information as required by the department that is relevant to the claimant's eligibility.

(c) The personal representative of the estate of a deceased taxpayer may execute and file the claim for rebate on behalf of a deceased taxpayer who qualifies for the rebate.

(d) The trustee of a grantor revocable trust may file a claim on behalf of the trust if the dwelling meets the definition of a principal residence for the grantor.

(6) Only one rebate ~~for each tax year~~ will be issued to a taxpayer for the Montana property taxes paid by the taxpayer for tax year ~~2022 and tax year 2023~~ 2024.

(7) If a debt is due and owing to the state, the department may offset the rebate in this section as provided in 15-30-2629, 15-30-2630, 17-4-105, or as otherwise provided by law.

(8) The payment of property tax rebates and administration costs related to paying property tax refunds under this section are statutorily appropriated, as provided in 17-7-502, from the general fund and from

1 the interest earnings in the capital developments long-range building program account pursuant to 17-7-209 to
2 the department of revenue for distribution to taxpayers and for related administration costs. (Terminates June
3 30, 2025 2026--sec. 10, Ch. 47, L. 2023.)"
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5 **Section 3.** Section 15-1-2304, MCA, is amended to read:

6 **"15-1-2304. (Temporary) Property tax rebate.** (1) A taxpayer that is entitled to a rebate of Montana
7 property taxes paid pursuant to 15-1-2301 through 15-1-2303 may increase the dollar amount limits of the
8 rebates in 15-1-2302(1)(a) and (1)(b) before the amendments of [this act] by the bonus amounts provided in
9 subsection (2). In administering the rebate, the department shall add the bonus to the dollar amount limitations
10 for tax year 2022 and tax year 2023 and update any rebate forms to reflect the additional amount.

11 (2) (a) Subject to subsection (2)(d), the amount of the bonus for tax year 2022 is half of the amount
12 provided for in subsection (2)(c).

13 (b) Subject to subsection (2)(c), the amount of the bonus for tax year 2023 is half of the amount
14 provided for in subsection (2)(c).

15 (c) The preliminary bonus amount is the quotient of the appropriation in section 6, Chapter 764,
16 Laws of 2023, divided by 284,343.

17 (d) The department shall round the quotients provided for in subsections (2)(a) and (2)(b)
18 downward to the nearest \$1.

19 (3) The bonus provided for in this section is administered as part of the property tax rebate
20 provided for in Chapter 47, Laws of 2023. Any property tax rebate received that is based on this section is
21 exempt from taxation under this chapter. (Terminates June 30, 2025--sec. 10, Ch. 764, L. 2023.)"
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23 **Section 4.** Section 17-7-209, MCA, is amended to read:

24 **"17-7-209. Capital developments long-range building program account.** (1) (a) There is a capital
25 developments long-range building program account in the capital projects fund type to fund capital
26 developments and to retire general obligation bonds paid by the general fund.

27 (b) If there are funds in excess of the amount needed for appropriations from the capital
28 developments long-range building program account in the capital projects fund type, then the excess funds:

(i) may be used to pay down the principal, interest, premiums, and any costs or fees associated with redeeming or defeasing outstanding general obligation bonds paid by the general fund for capital projects previously authorized and issued pursuant to state law; and

(ii) must be used to forego or reduce the amount of an issuance of general obligation bonds paid by the general fund and authorized pursuant to state law only if the balance in the capital developments long-range building program account established in 17-7-209 is \$100 million or more after reducing the account balance by:

(A) the amount needed for appropriations from the account; and

(B) the amount of funds used to forego or reduce the issuance of general obligation bonds paid by the general fund.

(2) (a) Interest Except as provided in subsection (2)(b), interest earnings, project carryover funds, administrative fees, and miscellaneous revenue must be retained in the account.

(b) Interest earnings deposited in the account for the fiscal year ending June 30, 2025, must be used for property tax rebates pursuant to Title 15, chapter 1, part 23.

(3) For the purposes of subsection (1)(b)(i), funds are statutorily appropriated pursuant to 17-7-502(4) from this account."

Section 5. Section 10, Chapter 47, Laws of 2023, is amended to read:

"Section 10. Termination. [This act] terminates June 30, ~~2025~~ 2026."

NEW SECTION. **Section 6. Effective date.** [This act] is effective on passage and approval.

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