

HOUSE BILL NO. 461

INTRODUCED BY G. OBLANDER, A. NICASTRO, G. OVERSTREET, C. SCHOMER, N. NICOL, K. WALSH,
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A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING FOR A PROPERTY TAX EXEMPTION FOR
CERTAIN RESIDENTIAL PROPERTY OCCUPIED BY THE OWNER AS A PRIMARY RESIDENCE;
REQUIRING THE PROPERTY TO BE OWNED FOR 5 YEARS OR MORE; REQUIRING THE OWNER TO BE
67 YEARS OF AGE OR OLDER; PROVIDING DEFINITIONS; AND PROVIDING AN APPLICABILITY DATE."

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

NEW SECTION. Section 1. Exemption for residential property occupied by owner -- exception.

(1) There is an exemption for class four residential property owned and occupied by a taxpayer who is 67 years
of age or older as a primary residence for 5 years or more as provided in this section.

(2) (a) Except as provided in subsection-subsections (2)(b) and (2)(c), the exemption is equal to
the amount by which the market value in the tax year exceeds the market value in the base year.

(b) The exemption under this section terminates if:

(i) the property is sold; or

(ii) there is new construction, remodeling, or reclassification of the property. For the purposes of
this subsection (2)(b)(ii), remodeling includes increasing the finished area of a building or altering the structure
or form of an existing space by more than 100 square feet. It does not include general maintenance and
upkeep, such as painting or replacing flooring, windows, siding, roofing, fixtures, or appliances.

(c) If the market value in a tax year is less than the market value in the base year, the tax year with
the lower market value becomes the new base year.

(3) (a) An exemption application must be filed by March 1 of the tax year for which the exemption
is sought on an application form provided by the department. Following approval for the exemption, the
applicant remains eligible for the exemption in subsequent years, subject to subsection (2)(b), as long as the
applicant continues to use the property as a primary residence. If an exemption terminates because of new

1 construction, remodeling, or reclassification of the property, the property owner may reapply for the exemption
2 and the department shall revise the base year to account for the new construction, remodeling, or
3 reclassification of the property.

4 (b) The application form must contain:

5 (i) an affirmation that the applicant owns and maintains the land and improvements as the primary
6 residence; and

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

8 (c) When providing information to the department for qualification under this section, applicants are
9 subject to the false swearing penalties established in 45-7-202.

10 (d) The department may investigate the information provided in an application and an applicant's
11 continued eligibility.

12 (e) The department may request applicant verification of the primary residence.

13 (4) For the purposes of this section:

14 (a) "Base year" means the year in which a property owner's application for the exemption provided
15 for in this section is approved by the department.

16 (b) "Primary residence" means a single-family dwelling:

17 (i) in which an applicant can demonstrate the applicant lived for at least 7 months of the year for
18 which the exemption is claimed;

19 (ii) that is the only residence for which the exemption claimed in this section is claimed by the
20 applicant; and

21 (iii) that is owned or under contract for deed by the applicant.

22 (c) "Single-family dwelling" means a residential dwelling, manufactured home, trailer, or mobile
23 home and as much of the surrounding land, but not in excess of 5 acres, as is reasonably necessary for its use
24 as a dwelling.

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26 NEW SECTION. Section 2. Codification instruction. [Section 1] is intended to be codified as an
27 integral part of Title 15, chapter 6, part 2, and the provisions of Title 15, chapter 6, part 2, apply to [section 1].

- 2025

Drafter: Megan Moore,

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Authorized Print Version – HB 461