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House BILL NO. 497

INTRODUCED BY

BOHUNGER

A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO PROPERTY TAXES; PROVIDING THAT THE PAYMENT OF AN INCREASE IN PROPERTY TAXES ON RESIDENTIAL PROPERTY IS DEFERRED UNTIL THE MAY PAYMENT; INCREASING THE EXEMPT VALUE OF RESIDENTIAL PROPERTY AND THE INCOME ELIGIBILITY SCHEDULE UNDER THE LOW-INCOME PROPERTY TAX PROGRAM; CHANGING THE APPLICATION DATE FOR THE PROGRAM FROM MARCH 1 TO APRIL 15; INCREASING THE MAXIMUM PROPERTY TAX CREDIT FOR THE ELDERLY TO \$1,000 FROM \$400; AND AMENDING SECTIONS 15-6-134, 15-6-151, 15-16-101, 15-16-102, AND 15-30-176, MCA."

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

Section 1. Section 15-16-101, MCA, is amended to read:

"15-16-101. Treasurer to publish notice -- manner of publication. (1) Within 10 days after the receipt of the property tax record, the county treasurer shall publish a notice specifying:

(a) that ~~one-half~~ the first installment of all taxes levied and assessed will be due and payable before 5 p.m. on the next November 30 or within 30 days after the notice is postmarked and that, unless paid prior to that time, the amount then due will be delinquent and will draw interest at the rate of 5/6 of 1% per month from the time of delinquency until paid and 2% will be added to the delinquent taxes as a penalty;

(b) that ~~one-half~~ the second installment of all taxes levied and assessed will be due and payable on or before 5 p.m. on the next May 31 and that, unless paid prior to that time, the taxes will be delinquent and will draw interest at the rate of 5/6 of 1% per month from the time of delinquency until paid and 2% will be added to the delinquent taxes as a penalty; and

(c) the time and place at which payment of taxes may be made.

(2) The county treasurer shall send to the last-known address of each taxpayer a written notice, postage prepaid, showing the amount of taxes and assessments due for the current year and the amount due and delinquent for other years. The written notice must include:

(a) the taxable value of the property;

- 1 (b) the total mill levy applied to that taxable value;
- 2 (c) the value of each mill in that county;
- 3 (d) itemized city services and special improvement district assessments collected by the county,
- 4 with appropriate subtotals;
- 5 (e) the number of the school district in which the property is located; and
- 6 (f) the amount of the total tax due that is levied as city tax, county tax, state tax, school district
- 7 tax, and other tax.

8 (3) The municipality shall, upon request of the county treasurer, provide the information to be

9 included under subsection (2)(d) in a form ready for mailing.

10 (4) The notice in ~~every~~ each case must be published once a week for 2 weeks in a weekly or daily

11 newspaper published in the county, if there is ~~one~~ a newspaper, or, if there is not, then by posting ~~it~~ the

12 notice in three public places. Failure to publish or post notices does not relieve the taxpayer from any tax

13 liability. Any failure to give notice of the tax due for the current year or of delinquent tax will not affect

14 the legality of the tax."

15

16 **Section 2.** Section 15-16-102, MCA, is amended to read:

17 **"15-16-102. Time for payment -- penalty for delinquency.** Except as provided in 15-16-802 and

18 15-16-803 and unless suspended or canceled under the provisions of Title 15, chapter 24, part 17, all taxes

19 levied and assessed in the state of Montana, except assessments made for special improvements in cities

20 and towns payable under 15-16-103 and assessments made on interim production and new production as

21 provided in Title 15, chapter 23, part 6, and payable under 15-16-121, ~~shall be~~ are payable as follows:

22 (1) ~~(a) One-half~~ The first installment of the taxes ~~are~~ is payable on or before 5 p.m. on November

23 30 of each year or within 30 days after the tax notice is postmarked, whichever is later, and ~~one-half~~ the

24 second installment is payable on or before 5 p.m. on May 31 of each year.

25 (b) If the property is residential property, the first installment of taxes is an amount equal to

26 one-half of the taxes due on the property the prior tax year and the second installment is the balance of

27 the taxes due. If the property is not residential property or if it is residential property but its description

28 or character has changed because of subdivision, consolidation, construction, or similar factors, the first

29 installment of taxes is one-half of the taxes due.

30 (2) Unless ~~one-half~~ the first installment of the taxes ~~are~~ is paid on or before 5 p.m. on November

1 30 of each year or within 30 days after the tax notice is postmarked, whichever is later, then the amount
 2 ~~so payable shall become~~ is delinquent and ~~shall draw~~ draws interest at the rate of 5/6 of 1% per month
 3 from ~~and after the~~ delinquency until paid and 2% ~~shall~~ must be added to the delinquent taxes as a penalty.

4 (3) All taxes due and not paid on or before 5 p.m. on May 31 of each year ~~shall be~~ are delinquent
 5 and ~~shall~~ draw interest at the rate of 5/6 of 1% per month from ~~and after the~~ delinquency until paid, and
 6 2% ~~shall~~ must be added to the delinquent taxes as a penalty.

7 (4) If the date on which taxes are due falls on a holiday or Saturday, taxes may be paid without
 8 penalty or interest on or before 5 p.m. of the next business day in accordance with 1-1-307.

9 (5) A taxpayer may pay ~~his~~ current year taxes without paying delinquent taxes. The county
 10 treasurer must accept a partial payment equal to the delinquent taxes, including penalty and interest, for
 11 one or more full ~~taxable~~ tax years, provided both halves of the current tax year have been paid. Payment
 12 of delinquent taxes must be applied to the taxes that have been delinquent the longest. The payment of
 13 the current tax year is not a redemption of the property tax lien for any delinquent tax year.

14 (6) The penalty and interest on delinquent assessment payments for specific parcels of land may
 15 be waived by resolution of the city council. A copy of the resolution must be certified to the county
 16 treasurer."

17

18 **Section 3.** Section 15-6-134, MCA, is amended to read:

19 **"15-6-134. Class four property -- description -- taxable percentage.** (1) Class four property
 20 includes:

21 (a) all land, except that specifically included in another class;

22 (b) all improvements, including trailers or mobile homes used as a residence, except those
 23 specifically included in another class;

24 (c) the first ~~\$80,000~~ \$100,000 or less of the market value of any improvement on real property,
 25 including trailers or mobile homes, and appurtenant land not exceeding 5 acres owned or under contract
 26 for deed and actually occupied for at least 10 months a year as the primary residential dwelling of any
 27 person whose total income from all sources, including net business income and otherwise tax-exempt
 28 income of all types but not including social security income paid directly to a nursing home, is not more
 29 than \$10,000 for a single person or \$12,000 for a married couple or a head of household, as adjusted
 30 according to subsection (2)(b)(ii). For the purposes of this subsection (c), net business income is gross

1 income less ordinary operating expenses but before deducting depreciation or depletion allowance, or both.

2 (d) all golf courses, including land and improvements actually and necessarily used for that
 3 purpose, that consist of at least ~~9~~ nine holes and not less than 3,000 lineal yards; and

4 (e) all improvements on land that is eligible for valuation, assessment, and taxation as agricultural
 5 land under 15-7-202(2), including 1 acre of real property beneath the agricultural improvements. The 1
 6 acre must be valued at market value.

7 (2) Class four property is taxed as follows:

8 (a) Except as provided in 15-24-1402 or 15-24-1501, property described in subsections (1)(a),
 9 (1)(b), and (1)(e) is taxed at 3.86% of its market value.

10 (b) (i) Property described in subsection (1)(c) is taxed at 3.86% of its market value multiplied by
 11 a percentage figure based on income and determined from the following table:

12	Income	Income	Percentage
13	Single Person	Married Couple	Multiplier
14		Head of Household	
15	\$ 0 - \$ 1,000	\$ 0 - \$ 1,200	0%
16	<u>\$ 0 - \$ 1,500</u>	<u>\$ 0 - \$ 2,000</u>	
17	1,001 - 2,000	1,201 - 2,400	10%
18	<u>1,501 - 3,000</u>	<u>2,001 - 4,000</u>	
19	2,001 - 3,000	2,401 - 3,600	20%
20	<u>3,001 - 4,500</u>	<u>4,001 - 6,000</u>	
21	3,001 - 4,000	3,601 - 4,800	30%
22	<u>4,501 - 6,000</u>	<u>6,001 - 8,000</u>	
23	4,001 - 5,000	4,801 - 6,000	40%
24	<u>6,001 - 7,500</u>	<u>8,001 - 10,000</u>	
25	5,001 - 6,000	6,001 - 7,200	50%
26	<u>7,501 - 9,000</u>	<u>10,001 - 12,000</u>	
27	6,001 - 7,000	7,201 - 8,400	60%
28	<u>9,001 - 10,500</u>	<u>12,001 - 14,000</u>	
29	7,001 - 8,000	8,401 - 9,600	70%
30	<u>10,501 - 12,000</u>	<u>14,001 - 16,000</u>	

1	8,001 - 9,000	9,601 - 10,800	80%
2	<u>12,001 - 13,500</u>	<u>16,001 - 18,000</u>	
3	9,001 - 10,000	10,801 - 12,000	90%
4	<u>13,501 - 15,000</u>	<u>18,001 - 20,000</u>	

5 (ii) The income levels contained in the table in subsection (2)(b)(i) must be adjusted for inflation
6 annually by the department of revenue. The adjustment to the income levels is determined by:

7 (A) multiplying the appropriate dollar amount from the table in subsection (2)(b)(i) by the ratio of
8 the PCE for the second quarter of the year prior to the year of application to the PCE for the second quarter
9 of ~~1986~~ 1995; and

10 (B) rounding the product thus obtained to the nearest whole dollar amount.

11 (iii) "PCE" means the implicit price deflator for personal consumption expenditures as published
12 quarterly in the Survey of Current Business by the bureau of economic analysis of the U.S. department of
13 commerce.

14 (c) Property described in subsection (1)(d) is taxed at one-half the taxable percentage rate
15 established in subsection (2)(a).

16 (3) ~~After July 1, 1986, an adjustment may not be made by the department to the taxable~~
17 ~~percentage rate for class four property until a revaluation has been made as provided in 15-7-111.~~

18 ~~(4) Within the meaning of comparable property, as defined in 15-1-101, property assessed as~~
19 ~~commercial property is comparable only to other property assessed as commercial property, and property~~
20 ~~assessed as other than commercial property is comparable only to other property assessed as other than~~
21 ~~commercial property."~~

22

23 **Section 4.** Section 15-6-151, MCA, is amended to read:

24 **"15-6-151. Application for certain class four classifications.** (1) A person applying for
25 classification of property described in ~~subsection (1)(c) of 15-6-134~~ (1)(c) shall make an affidavit to the
26 department of revenue, on a form provided by the department without cost, stating:

27 (a) his the person's income;

28 (b) the fact that ~~he~~ the person maintains the land and improvements as ~~his~~ the person's primary
29 residential dwelling, ~~where~~ when applicable; and

30 (c) ~~such~~ other information as that is relevant to the applicant's eligibility.

1 (2) This application must be made before ~~March 1~~ April 15 of the year after the applicant becomes
 2 eligible. The application remains in effect in subsequent years unless there is a change in the applicant's
 3 eligibility. The taxpayer shall inform the department of any change in eligibility. The department may
 4 inquire by mail whether any change in eligibility has taken place and may require a new statement of
 5 eligibility at any time that it considers necessary.

6 (3) The affidavit is sufficient if the applicant signs a statement affirming the correctness of the
 7 information supplied, whether or not the statement is signed before a person authorized to administer oaths,
 8 and mails the application and statement to the department ~~of revenue~~. This signed statement ~~shall~~ must
 9 be treated as a statement under oath or equivalent affirmation for the purposes of 45-7-202, relating to the
 10 criminal offense of false swearing."

11
 12 **Section 5.** Section 15-30-176, MCA, is amended to read:

13 **"15-30-176. Residential property tax credit for elderly -- computation of relief.** The amount of the
 14 tax credit granted under the provisions of 15-30-171 through 15-30-179 is computed as follows:

15 (1) In the case of a claimant who owns the homestead for which a claim is made, the credit is the
 16 amount of property tax paid less the deduction specified in subsection (4).

17 (2) In the case of a claimant who rents the homestead for which a claim is made, the credit is the
 18 amount of rent-equivalent tax paid less the deduction specified in subsection (4).

19 (3) In the case of a claimant who both owns and rents the homestead for which a claim is made,
 20 the credit is:

21 (a) the amount of property tax paid on the owned portion of the homestead less the deduction
 22 specified in subsection (4); plus

23 (b) the amount of rent-equivalent tax paid on the rented portion of the homestead less the
 24 deduction specified in subsection (4).

25 (4) Property tax paid and rent-equivalent tax paid are reduced according to the following schedule:

Household income	Amount of reduction
27 \$ 0-999	\$0
28 1,000-1,999	\$0
29 2,000-2,999	the product of .006 times the household income
30 3,000-3,999	the product of .016 times the household income

1	4,000-4,999	the product of .024 times the household income
2	5,000-5,999	the product of .028 times the household income
3	6,000-6,999	the product of .032 times the household income
4	7,000-7,999	the product of .035 times the household income
5	8,000-8,999	the product of .039 times the household income
6	9,000-9,999	the product of .042 times the household income
7	10,000-10,999	the product of .045 times the household income
8	11,000-11,999	the product of .048 times the household income
9	12,000 & over	the product of .050 times the household income

10 (5) In no case may the credit granted exceed ~~\$400~~ \$1,000."

11 -END-

STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0497, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act relating to property taxes; providing that the payment of an increase in property taxes on residential property is deferred until the May payment; increasing the exempt value of residential property and the income eligibility schedule under the low-income property tax program; changing the application date for the program from March 1 to April 15; increasing the maximum property tax credit for the elderly to \$1,000 from \$400.

ASSUMPTIONS:

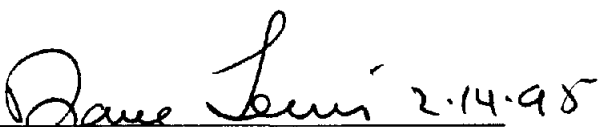
Low-Income Abatement Program

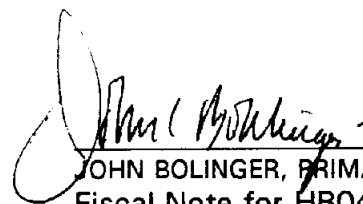
1. Under current law, 42,396 households are eligible for this program; of these, 9,695 households participate in the program (23% participation rate) and receive an average benefit of approximately \$222, for a total program cost of \$2,152,290.
2. Under the proposal, 62,621 households would be eligible for this program; of these, 15,655 households would participate in the program (25% participation rate) and receive an average benefit of approximately \$250, for a total program cost of \$3,913,750.
3. Program benefit costs increase \$1,761,460 with this additional cost distributed 1.5% to universities; 23.6% to the school equalization aid account; 20.1% to counties; 41.6% to local schools; and 13.2% to cities and towns.
4. The changes to the low-income abatement program are effective for tax year 1996, and will impact fiscal year 1997 revenues.
5. Printing, mailing and advertising costs associated with the increased number of applicants under this proposal would increase by \$11,500 in FY96; and by \$2,975 in FY97 and each fiscal year thereafter.

Elderly Homeowner/Renter (2EC) Program

1. Under current law the maximum credit allowed under the 2EC program is \$400; this increases to \$1,000 under this proposal.
2. Increasing the maximum credit does not increase the number of households participating in this program (19,070 claimants in 1993).
3. Current program costs are projected to be \$6,000,000 in FY96 and \$6,500,000 in FY97 (DOR *Tax Expenditure Report*). Increasing the maximum credit from \$400 to \$1,000 increases the average benefit by 11 percent, which increases total program costs to \$6,660,000 in FY96 and \$7,215,000 in FY97. This results in additional costs of \$660,000 in FY96 and \$715,000 in FY97, which reduces individual income tax collections and state general fund revenue by a like amount.

(continued page 2)


DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning


JOHN BOLINGER, PRIMARY SPONSOR DATE
Fiscal Note for HB0497, as introduced
HB 497

Deferral of Increase in Residential Property Taxes to May

1. Deferring any property tax increases on residential properties until the May payment impacts the property tax billing functions of local governments, but has no impact on the administration of property taxes at the state level. Local government billing costs would rise as a consequence of this change.
2. Deferring property tax increases on residential properties until the May payment does not change the amount of revenue received in a fiscal year; however, it will change the timing of receipts and, hence, the cash flow of state and local government accounts which receive the revenue. A portion of revenue usually anticipated and received in November would now be received in May under this proposal.

FISCAL IMPACT:

Expenditures: (Department of Revenue - Increase)

	<u>FY96</u>	<u>FY97</u>
	<u>Difference</u>	<u>Difference</u>
Operating Expenses	\$11,500	\$2,975

Revenues:

The impact of the changes to the *low-income abatement program* are to reduce revenue to the university system by \$26,422 beginning in FY97 and each fiscal year thereafter; and to reduce revenue to the school equalization aid account by \$415,705 in FY97 and each fiscal year thereafter.

Elderly Homeowner/Renter Credit:

	<u>FY96</u>	<u>FY97</u>
	<u>Difference</u>	<u>Difference</u>
Individual Income Tax	\$(660,000)	\$(715,000)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The proposal reduces revenue in FY97 and each fiscal year thereafter by \$354,053 to county governments; by \$732,767 to local schools; and by \$232,513 to cities and towns.

STATE OF MONTANA - FISCAL NOTE
Fiscal Note for HB497, 3rd Reading, as Amended

DESCRIPTION OF PROPOSED LEGISLATION:

An act relating to property taxes; providing for a payment to certain taxpayers for property taxes paid; requiring a claim form for a property tax payment to be sent to the taxpayer; increasing the exempt value of residential property and the income eligibility schedule under the property tax assistance program; changing the application date for the program from March 1 to March 15; providing more information in the Department's notice of classification, including information for comparison of mills and taxes for the prior year; increasing the maximum property tax credit for the elderly to \$1,000 from \$400; and providing an immediate effective date, applicability dates, a termination date, and a coordination provision.

ASSUMPTIONS:

Low-Income Abatement Program

1. Under current law, 42,396 households are eligible for this program; of these, 9,695 households participate in the program (23% participation rate) and receive an average benefit of approximately \$222, for a total program cost of \$2,152,290.
2. Under the proposal, 62,621 households would be eligible for this program; of these, 15,655 households would participate in the program (25% participation rate) and receive an average benefit of approximately \$288, for a total program cost of \$4,508,640.
3. Program benefit costs increase \$2,356,350 with this additional cost distributed 1.5% to universities; 23.6% to the school equalization aid account; 20.1% to counties; 41.6% to local schools; and 13.2% to cities and towns.
4. The changes to the low-income abatement program are effective for tax year 1996, and will impact fiscal year 1997 revenues.
5. Printing, mailing and advertising costs associated with the increased number of applicants under this proposal would increase by \$11,500 in FY1996; and by \$2,975 in FY97 and each fiscal year thereafter.

Elderly Homeowner/Renter (2EC) Program

1. Under current law the maximum credit allowed under the 2EC program is \$400; this increases to \$1,000 under this proposal.
2. Increasing the maximum credit does not increase the number of households participating in this program (19,070 claimants in 1993).
3. Current program costs are projected to be \$6,000,000 in FY96 and \$6,500,000 in FY97 (DOR *Tax Expenditure Report*). Increasing the maximum credit from \$400 to \$1,000 increases the average benefit by 11 percent, which increases total program costs to \$6,660,000 in FY96 and \$7,215,000 in FY97. This results in additional costs of \$660,000 in FY96 and \$715,000 in FY97, which reduces individual income tax collections and state general fund revenue by a like amount.

Residential Property Tax Relief

1. The residential property tax relief provisions of this bill apply beginning with tax year 1995, and terminate after tax year 1996 (tax relief is provided for two years).

DAVID LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

JOHN BOLINGER, PRIMARY SPONSOR DATE
Fiscal Note for HB497, 3rd, As Amended

HB 497-#2

(continued)

2. In order to be eligible for the relief, homeowners must (a) have occupied an owner-occupied residence(s) in Montana for 7 months of the claim period; (b) be the owner of an owner-occupied residence on January 1 of the claim period that the owner also owned on January 1, 1993; and (c) have experienced an increase in taxable valuation in the owner-occupied residence of more than 15 percent between 1992 and 1993.
3. Homeowners owning more than one home are entitled to claim the payment for any of the properties owned, provided that these properties meet the requirements in assumption 2, but no claimant is entitled to a claim for more than one property.
4. The property tax payment that may be claimed is equal to the amount of market value in 1993 that is in excess of 115% of the market value for the same property in 1992, times the tax rate in effect for the property in 1993, times the mill levy in effect in tax year 1993 on the property. No payment will be made for claims of less than \$25; and no payment will be made in excess of \$1,000.
5. Approximately 51,658 owner-occupied residences will claim the payment; the average payment will be approximately \$145. Payments to all eligible taxpayers will total \$7,500,000 for tax years 1995 and 1996 (FY1996 and FY1997).
6. Payments to eligible homeowners will be reimbursed out of the state general fund.
7. Total cost to administer this program is \$200,000 in FY1996, and \$165,000 in fiscal year 1997.

FISCAL IMPACT:

Expenditures (All Programs):

	<u>FY96</u>	<u>FY97</u>
	<u>Difference</u>	<u>Difference</u>
Operating Expenses	\$ 211,500	\$167,975

Revenues:

Property Tax Assistance Program:

	<u>FY96</u>	<u>FY97</u>
	<u>Difference</u>	<u>Difference</u>
Universities	\$ 0	\$(35,345)
School Equalization Aid	\$ 0	\$(556,100)

Elderly Homeowner/Renter Credit:

	<u>FY96</u>	<u>FY97</u>
	<u>Difference</u>	<u>Difference</u>
Individual Income Tax (General Fund)	\$(660,000)	\$(715,000)

Residential Property Tax Relief

	<u>FY96</u>	<u>FY97</u>
	<u>Difference</u>	<u>Difference</u>
State General Fund	\$(7,500,000)	\$(7,500,000)

Combined Impact to State General Fund and School Equalization Aid Account

(Including expenditures)

	<u>FY96</u>	<u>FY97</u>
	<u>Difference</u>	<u>Difference</u>
State General Fund	\$(8,371,500)	\$(8,939,075)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The proposal reduces revenue in FY97 and each fiscal year thereafter by \$473,626 to county governments; by \$980,242 to local schools; and by \$311,038 to cities and towns.

APPROVED BY COM
ON TAXATION

HOUSE BILL NO. 497

INTRODUCED BY BOHLINGER

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4 A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO PROPERTY TAXES; ~~PROVIDING THAT THE~~
5 ~~PAYMENT OF AN INCREASE IN PROPERTY TAXES ON RESIDENTIAL PROPERTY IS DEFERRED UNTIL THE~~
6 ~~MAY PAYMENT;~~ INCREASING THE EXEMPT VALUE OF RESIDENTIAL PROPERTY AND THE INCOME
7 ELIGIBILITY SCHEDULE UNDER THE ~~LOW INCOME~~ PROPERTY TAX ASSISTANCE PROGRAM; CHANGING
8 THE APPLICATION DATE FOR THE PROGRAM FROM MARCH 1 TO ~~APRIL~~ MARCH 15; PROVIDING MORE
9 INFORMATION IN THE DEPARTMENT'S NOTICE OF CLASSIFICATION, INCLUDING INFORMATION FOR
10 COMPARISON OF MILLS AND TAXES FOR THE PRIOR YEAR; PROVIDING FOR THE PHASEIN OF
11 CHANGES IN THE VALUE OF CLASS FOUR PROPERTY BECAUSE OF PERIODIC REVALUATION;
12 ALLOWING A DECREASE IN MARKET VALUE TO BE EFFECTIVE WITHOUT A PHASEIN; INCREASING THE
13 MAXIMUM PROPERTY TAX CREDIT FOR THE ELDERLY TO \$1,000 FROM \$400; ~~AND~~ AMENDING
14 SECTIONS 15-6-134, 15-6-151, ~~15-16-101, 15-16-102~~ 15-7-102, AND 15-30-176, MCA; AND
15 PROVIDING AN IMMEDIATE EFFECTIVE DATE, APPLICABILITY DATES, AND A COORDINATION
16 PROVISION."

17
18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

19
20 ~~Section 1. Section 15-16-101, MCA, is amended to read:~~

21 ~~"15-16-101. Treasurer to publish notice — manner of publication. (1) Within 10 days after the~~
22 ~~receipt of the property tax record, the county treasurer shall publish a notice specifying:~~

23 ~~(a) that one half the first installment of all taxes levied and assessed will be due and payable before~~
24 ~~5 p.m. on the next November 30 or within 30 days after the notice is postmarked and that, unless paid~~
25 ~~prior to that time, the amount then due will be delinquent and will draw interest at the rate of 5/6 of 1%~~
26 ~~per month from the time of delinquency until paid and 2% will be added to the delinquent taxes as a~~
27 ~~penalty;~~

28 ~~(b) that one half the second installment of all taxes levied and assessed will be due and payable~~
29 ~~on or before 5 p.m. on the next May 31 and that, unless paid prior to that time, the taxes will be delinquent~~
30 ~~and will draw interest at the rate of 5/6 of 1% per month from the time of delinquency until paid and 2%~~

1 ~~will be added to the delinquent taxes as a penalty; and~~
 2 ~~(c) the time and place at which payment of taxes may be made.~~
 3 ~~(2) The county treasurer shall send to the last known address of each taxpayer a written notice,~~
 4 ~~postage prepaid, showing the amount of taxes and assessments due for the current year and the amount~~
 5 ~~due and delinquent for other years. The written notice must include:~~
 6 ~~(a) the taxable value of the property;~~
 7 ~~(b) the total mill levy applied to that taxable value;~~
 8 ~~(c) the value of each mill in that county;~~
 9 ~~(d) itemized city services and special improvement district assessments collected by the county,~~
 10 ~~with appropriate subtotals;~~
 11 ~~(e) the number of the school district in which the property is located; and~~
 12 ~~(f) the amount of the total tax due that is levied as city tax, county tax, state tax, school district~~
 13 ~~tax, and other tax.~~
 14 ~~(3) The municipality shall, upon request of the county treasurer, provide the information to be~~
 15 ~~included under subsection (2)(d) in a form ready for mailing.~~
 16 ~~(4) The notice in every each case must be published once a week for 2 weeks in a weekly or daily~~
 17 ~~newspaper published in the county, if there is one a newspaper, or, if there is not, then by posting it the~~
 18 ~~notice in three public places. Failure to publish or post notices does not relieve the taxpayer from any tax~~
 19 ~~liability. Any failure to give notice of the tax due for the current year or of delinquent tax will not affect~~
 20 ~~the legality of the tax."~~

21
 22 **Section 2.** ~~Section 15-16-102, MCA, is amended to read:~~
 23 ~~"15-16-102. Time for payment — penalty for delinquency. Except as provided in 15-16-802 and~~
 24 ~~15-16-803 and unless suspended or canceled under the provisions of Title 15, chapter 24, part 17, all taxes~~
 25 ~~levied and assessed in the state of Montana, except assessments made for special improvements in cities~~
 26 ~~and towns payable under 15-16-103 and assessments made on interim production and new production as~~
 27 ~~provided in Title 15, chapter 23, part 6, and payable under 15-16-121, shall be are payable as follows:~~
 28 ~~(1) (a) One half The first installment of the taxes are is payable on or before 5 p.m. on November~~
 29 ~~30 of each year or within 30 days after the tax notice is postmarked, whichever is later, and one half the~~
 30 ~~second installment is payable on or before 5 p.m. on May 31 of each year.~~

1 ~~(b) If the property is residential property, the first installment of taxes is an amount equal to~~
 2 ~~one half of the taxes due on the property the prior tax year and the second installment is the balance of~~
 3 ~~the taxes due. If the property is not residential property or if it is residential property but its description~~
 4 ~~or character has changed because of subdivision, consolidation, construction, or similar factors, the first~~
 5 ~~installment of taxes is one half of the taxes due.~~

6 ~~(2) Unless one half the first installment of the taxes are is paid on or before 5 p.m. on November~~
 7 ~~30 of each year or within 30 days after the tax notice is postmarked, whichever is later, then the amount~~
 8 ~~so payable shall become is delinquent and shall draw draws interest at the rate of 5/6 of 1% per month~~
 9 ~~from and after the delinquency until paid and 2% shall must be added to the delinquent taxes as a penalty.~~

10 ~~(3) All taxes due and not paid on or before 5 p.m. on May 31 of each year shall be are delinquent~~
 11 ~~and shall draw interest at the rate of 5/6 of 1% per month from and after the delinquency until paid, and~~
 12 ~~2% shall must be added to the delinquent taxes as a penalty.~~

13 ~~(4) If the date on which taxes are due falls on a holiday or Saturday, taxes may be paid without~~
 14 ~~penalty or interest on or before 5 p.m. of the next business day in accordance with 1-1-307.~~

15 ~~(5) A taxpayer may pay his current year taxes without paying delinquent taxes. The county~~
 16 ~~treasurer must accept a partial payment equal to the delinquent taxes, including penalty and interest, for~~
 17 ~~one or more full taxable tax years, provided both halves of the current tax year have been paid. Payment~~
 18 ~~of delinquent taxes must be applied to the taxes that have been delinquent the longest. The payment of~~
 19 ~~the current tax year is not a redemption of the property tax lien for any delinquent tax year.~~

20 ~~(6) The penalty and interest on delinquent assessment payments for specific parcels of land may~~
 21 ~~be waived by resolution of the city council. A copy of the resolution must be certified to the county~~
 22 ~~treasurer."~~

23
 24 **Section 1.** Section 15-6-134, MCA, is amended to read:

25 **"15-6-134. Class four property -- description -- taxable percentage.** (1) Class four property
 26 includes:

27 (a) all land, except that specifically included in another class;

28 (b) all improvements, including trailers or mobile homes used as a residence, except those
 29 specifically included in another class;

30 (c) the first ~~\$80,000~~ \$100,000 or less of the market value of any improvement on real property,

1 including trailers or mobile homes, and appurtenant land not exceeding 5 acres owned or under contract
 2 for deed and actually occupied for at least 10 months a year as the primary residential dwelling of any
 3 person whose total income from all sources, including net business income and otherwise tax-exempt
 4 income of all types but not including social security income paid directly to a nursing home, is not more
 5 than ~~\$10,000~~ \$15,000 for a single person or ~~\$12,000~~ \$20,000 for a married couple or a head of
 6 household, as adjusted according to subsection (2)(b)(ii). For the purposes of this subsection (c), net
 7 business income is gross income less ordinary operating expenses but before deducting depreciation or
 8 depletion allowance, or both.

9 (d) all golf courses, including land and improvements actually and necessarily used for that
 10 purpose, that consist of at least ~~9~~ nine holes and not less than 3,000 lineal yards; and

11 (e) all improvements on land that is eligible for valuation, assessment, and taxation as agricultural
 12 land under 15-7-202(2), including 1 acre of real property beneath the agricultural improvements. The 1
 13 acre must be valued at market value.

14 (2) Class four property is taxed as follows:

15 (a) Except as provided in 15-24-1402 or 15-24-1501, property described in subsections (1)(a),
 16 (1)(b), and (1)(e) is taxed at 3.86% of its market value.

17 (b) (i) Property ~~described~~ QUALIFYING UNDER THE PROPERTY TAX ASSISTANCE PROGRAM in
 18 subsection (1)(c) is taxed at 3.86% of its market value multiplied by a percentage figure based on income
 19 and determined from the following table:

20	Income	Income	Percentage
21	Single Person	Married Couple	Multiplier
22		Head of Household	
23	\$ 0 - \$ 1,000	\$ 0 - \$ 1,200	0% <u>20%</u>
24	\$ 0 - \$ 1,500	\$ 0 - \$ 2,000	
25	<u>\$ 6,000</u>	<u>\$ 8,000</u>	
26	1,001 - 2,000	1,201 - 2,400	10% <u>50%</u>
27	1,501 - 3,000	2,001 - 4,000	
28	<u>6,001 - 9,200</u>	<u>8,001 - 14,000</u>	
29	2,001 - 3,000	2,401 - 3,600	20% <u>70%</u>
30	3,001 - 4,500	4,001 - 6,000	

1	<u>9,201 - 15,000</u>	<u>14,001 - 20,000</u>	
2	3,001 - 4,000	3,601 - 4,800	30%
3	4,501 - 6,000	6,001 - 8,000	
4	4,001 - 5,000	4,801 - 6,000	40%
5	6,001 - 7,500	8,001 - 10,000	
6	5,001 - 6,000	6,001 - 7,200	50%
7	7,501 - 9,000	10,001 - 12,000	
8	6,001 - 7,000	7,201 - 8,400	60%
9	9,001 - 10,500	12,001 - 14,000	
10	7,001 - 8,000	8,401 - 9,600	70%
11	10,501 - 12,000	14,001 - 16,000	
12	8,001 - 9,000	9,601 - 10,800	80%
13	12,001 - 13,500	16,001 - 18,000	
14	9,001 - 10,000	10,801 - 12,000	90%
15	13,501 - 15,000	18,001 - 20,000	

16 (ii) The income levels contained in the table in subsection (2)(b)(i) must be adjusted for inflation
17 annually by the department of revenue. The adjustment to the income levels is determined by:

18 (A) multiplying the appropriate dollar amount from the table in subsection (2)(b)(i) by the ratio of
19 the PCE for the second quarter of the year prior to the year of application to the PCE for the second quarter
20 of ~~1986~~ 1995; and

21 (B) rounding the product thus obtained to the nearest whole dollar amount.

22 (iii) "PCE" means the implicit price deflator for personal consumption expenditures as published
23 quarterly in the Survey of Current Business by the bureau of economic analysis of the U.S. department of
24 commerce.

25 (c) Property described in subsection (1)(d) is taxed at one-half the taxable percentage rate
26 established in subsection (2)(a).

27 ~~(3) After July 1, 1986, an adjustment may not be made by the department to the taxable~~
28 ~~percentage rate for class four property until a revaluation has been made as provided in 15-7-111.~~

29 ~~(4)~~ Within the meaning of comparable property₁, as defined in 15-1-101, property assessed as
30 commercial property is comparable only to other property assessed as commercial property₇ and property

1 assessed as other than commercial property is comparable only to other property assessed as other than
2 commercial property."

3

4 **Section 2.** Section 15-6-151, MCA, is amended to read:

5 "15-6-151. **Application for certain class four classifications.** (1) A person applying for
6 classification of property UNDER THE PROPERTY TAX ASSISTANCE PROGRAM described in ~~subsection~~
7 ~~(1)(e)~~ of 15-6-134 (1)(c) shall make an affidavit to the department of revenue, on a form provided by the
8 department without cost, stating:

9 (a) ~~his~~ the person's income;

10 (b) the fact that ~~he~~ the person maintains the land and improvements as ~~his~~ the person's primary
11 residential dwelling, ~~where~~ when applicable; and

12 (c) ~~such~~ other information ~~as~~ that is relevant to the applicant's eligibility.

13 (2) This application must be made before ~~March 1 April~~ MARCH 15 of the year after the applicant
14 becomes eligible. The application remains in effect in subsequent years unless there is a change in the
15 applicant's eligibility. The taxpayer shall inform the department of any change in eligibility. The department
16 may inquire by mail whether any change in eligibility has taken place and may require a new statement of
17 eligibility at any time that it considers necessary.

18 (3) The affidavit is sufficient if the applicant signs a statement affirming the correctness of the
19 information supplied, whether or not the statement is signed before a person authorized to administer oaths,
20 and mails the application and statement to the department of ~~revenue~~. This signed statement ~~shall~~ must
21 be treated as a statement under oath or equivalent affirmation for the purposes of 45-7-202, relating to the
22 criminal offense of false swearing."

23

24 **SECTION 3. SECTION 15-7-102, MCA, IS AMENDED TO READ:**

25 "15-7-102. **Notice of classification and appraisal to owners -- appeals.** (1) (a) The department
26 shall mail to each owner or purchaser under contract for deed a notice of the classification of the land
27 owned or being purchased and the appraisal of the improvements on the land only if one or more of the
28 following changes pertaining to the land or improvements have been made since the last notice:

29 ~~(a)~~ (i) change in ownership;

30 ~~(b)~~ (ii) change in classification;

1 ~~(e)(iii)~~ change in valuation; or

2 ~~(d)(iv)~~ addition or subtraction of personal property affixed to the land.

3 (b) The notice must include the following for the taxpayer's informational purposes:

4 (i) the total amount of mills levied against the property in the prior year;

5 (ii) the amount of the prior year's taxes resulting from levied mills;

6 (iii) an estimate of the current year's taxes based on the prior year's mills; and

7 (iv) a statement that the notice is not a tax bill.

8 (c) Any misinformation provided in the information required by subsection (1)(b) does not affect
 9 the validity of the notice and may not be used as a basis for a challenge of the legality of the notice.

10 (2) (a) The department shall assign each assessment to the correct owner or purchaser under
 11 contract for deed and mail the notice of classification and appraisal on a standardized form, adopted by the
 12 department, containing sufficient information in a comprehensible manner designed to fully inform the
 13 taxpayer as to the classification and appraisal of the property and of changes over the prior tax year.

14 (b) The notice must advise the taxpayer that in order to be eligible for a refund of taxes from an
 15 appeal of the classification or appraisal, the taxpayer is required to pay the taxes under protest as provided
 16 in 15-1-402.

17 (3) If the owner of any land and improvements is dissatisfied with the appraisal as it reflects the
 18 market value of the property as determined by the department or with the classification of the land or
 19 improvements, the owner may request an assessment review by submitting an objection in writing to the
 20 department, on forms provided by the department for that purpose, within 15 days after receiving the
 21 notice of classification and appraisal from the department. The review must be conducted informally and
 22 is not subject to the contested case procedures of the Montana Administrative Procedure Act. As a part
 23 of the review, the department may consider the actual selling price of the property, independent appraisals
 24 of the property, and other relevant information presented by the taxpayer in support of the taxpayer's
 25 opinion as to the market value of the property. The department shall give reasonable notice to the taxpayer
 26 of the time and place of the review. After the review, the department shall determine the ~~true and~~ correct
 27 appraisal and classification of the land or improvements and notify the taxpayer of its determination. In
 28 the notification, the department shall state its reasons for revising the classification or appraisal. When the
 29 proper appraisal and classification have been determined, the land must be classified and the improvements
 30 appraised in the manner ordered by the department.

1 (4) Whether a review as provided in subsection (3) is held or not, the department may not adjust
2 an appraisal or classification upon the taxpayer's objection unless:

3 (a) the taxpayer has submitted an objection in writing; and

4 (b) the department has stated its reason in writing for making the adjustment.

5 (5) A taxpayer's written objection to a classification or appraisal and the department's notification
6 to the taxpayer of its determination and the reason for that determination are public records. The
7 department shall make the records available for inspection during regular office hours.

8 (6) If any property owner feels aggrieved by the classification or appraisal made by the department
9 after the review provided for in subsection (3), the property owner has the right to first appeal to the
10 county tax appeal board and then to the state tax appeal board, whose findings are final subject to the right
11 of review in the courts. The appeal to the county tax appeal board must be filed within 15 days after
12 notice of the department's determination is mailed to the taxpayer. A county tax appeal board or the state
13 tax appeal board may consider the actual selling price of the property, independent appraisals of the
14 property, and other relevant information presented by the taxpayer as evidence of the market value of the
15 property. If the county tax appeal board or the state tax appeal board determines that an adjustment
16 should be made, the department shall adjust the base value of the property in accordance with the board's
17 order."

18
19 NEW SECTION. SECTION 4. PHASE IN OF REVALUATION OF LAND. (1) AN INCREASE IN THE
20 APPRAISED VALUE OF CLASS FOUR PROPERTY RESULTING FROM A REVALUATION CYCLE UNDER
21 15-7-111 MUST BE PHASED IN. EACH YEAR FOLLOWING A REVALUATION CYCLE, THE VALUE OF THE
22 PROPERTY MUST BE INCREASED ANNUALLY BY ONE-THIRD OF THE DIFFERENCE BETWEEN THE
23 PHASED-IN VALUE FROM THE PREVIOUS APPRAISED VALUE AND THE NEW APPRAISED VALUE.

24 (2) IF THE APPRAISED VALUE OF PROPERTY DECREASES BECAUSE OF A REVALUATION CYCLE,
25 THE DECREASED VALUE IS THE ASSESSED VALUE AND IS NOT PHASED IN.

26
27 **Section 5.** Section 15-30-176, MCA, is amended to read:

28 "15-30-176. **Residential property tax credit for elderly -- computation of relief.** The amount of the
29 tax credit granted under the provisions of 15-30-171 through 15-30-179 is computed as follows:

30 (1) In the case of a claimant who owns the homestead for which a claim is made, the credit is the

1 amount of property tax paid less the deduction specified in subsection (4).

2 (2) In the case of a claimant who rents the homestead for which a claim is made, the credit is the
3 amount of rent-equivalent tax paid less the deduction specified in subsection (4).

4 (3) In the case of a claimant who both owns and rents the homestead for which a claim is made,
5 the credit is:

6 (a) the amount of property tax paid on the owned portion of the homestead less the deduction
7 specified in subsection (4); plus

8 (b) the amount of rent-equivalent tax paid on the rented portion of the homestead less the
9 deduction specified in subsection (4).

10 (4) Property tax paid and rent-equivalent tax paid are reduced according to the following schedule:

11 Household income	Amount of reduction
12 \$ 0-999	\$0
13 1,000-1,999	\$0
14 2,000-2,999	the product of .006 times the household income
15 3,000-3,999	the product of .016 times the household income
16 4,000-4,999	the product of .024 times the household income
17 5,000-5,999	the product of .028 times the household income
18 6,000-6,999	the product of .032 times the household income
19 7,000-7,999	the product of .035 times the household income
20 8,000-8,999	the product of .039 times the household income
21 9,000-9,999	the product of .042 times the household income
22 10,000-10,999	the product of .045 times the household income
23 11,000-11,999	the product of .048 times the household income
24 12,000 & over	the product of .050 times the household income

25 (5) In no case may the credit granted exceed ~~\$400~~ \$1,000."

26

27 NEW SECTION. SECTION 6. COORDINATION. IN ORDER TO MAINTAIN A BALANCED BUDGET,
28 BECAUSE [THIS ACT] REDUCES REVENUE, IT IS VOID UNLESS HOUSE BILL NO. 293 IS PASSED AND
29 APPROVED CONTAINING AN ESTIMATED REVENUE INCREASE OF AT LEAST \$2,200,000.

30

1 HOUSE BILL NO. 497

2 INTRODUCED BY BOHLINGER, SOMERVILLE, MURDOCK, RANEY, RYAN, WENNEMAR, T. NELSON,
3 ROSE, WELLS, ELLIOTT, FUCHS, SWANSON

4
5 A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO PROPERTY TAXES; ~~PROVIDING THAT THE~~
6 ~~PAYMENT OF AN INCREASE IN PROPERTY TAXES ON RESIDENTIAL PROPERTY IS DEFERRED UNTIL THE~~
7 ~~MAY PAYMENT~~; INCREASING THE EXEMPT VALUE OF RESIDENTIAL PROPERTY AND THE INCOME
8 ELIGIBILITY SCHEDULE UNDER THE ~~LOW INCOME~~ PROPERTY TAX ASSISTANCE PROGRAM; CHANGING
9 THE APPLICATION DATE FOR THE PROGRAM FROM MARCH 1 TO ~~APRIL~~ MARCH 15; PROVIDING MORE
10 INFORMATION IN THE DEPARTMENT'S NOTICE OF CLASSIFICATION, INCLUDING INFORMATION FOR
11 COMPARISON OF MILLS AND TAXES FOR THE PRIOR YEAR; PROVIDING FOR THE PHASE IN OF
12 CHANGES IN THE VALUE OF CLASS FOUR PROPERTY BECAUSE OF PERIODIC REVALUATION;
13 ALLOWING A DECREASE IN MARKET VALUE TO BE EFFECTIVE WITHOUT A PHASE IN; INCREASING THE
14 MAXIMUM PROPERTY TAX CREDIT FOR THE ELDERLY TO \$1,000 FROM \$400; ~~AND~~ AMENDING
15 SECTIONS 15-6-134, 15-6-151, ~~15-16-101, 15-16-102~~ 15-7-102, AND 15-30-176, MCA; AND
16 PROVIDING AN IMMEDIATE EFFECTIVE DATE, APPLICABILITY DATES, AND A COORDINATION
17 PROVISION."

18
19 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:


THERE ARE NO CHANGES IN THIS BILL AND IT WILL
NOT BE REPRINTED. PLEASE REFER TO SECOND
READING COPY (YELLOW) FOR COMPLETE TEXT.

SENATE STANDING COMMITTEE REPORT

Page 1 of 4
April 7, 1995

MR. PRESIDENT:

We, your committee on Taxation having had under consideration HB 497 (third reading copy -- blue), respectfully report that HB 497 be amended as follows and as so amended be concurred in.

Signed: 
Senator Gerry Devlin, Chair

That such amendments read:

1. Title, line 7.

Following: "~~PAYMENT,~~"

Insert: "PROVIDING FOR A PAYMENT TO CERTAIN TAXPAYERS FOR PROPERTY TAXES PAID; REQUIRING A CLAIM FORM FOR A PROPERTY TAX PAYMENT TO BE SENT TO THE TAXPAYER;"

2. Title, lines 11 through 13.

Strike: "PROVIDING" on line 11 through "PHASEIN;" on line 13

3. Title, line 16.

Following: "DATES,"

Insert: "A TERMINATION DATE,"

4. Page 1.

Following: line 19

Insert: "NEW SECTION. Section 1. Homeowner's tax payment -- definitions. As used in [sections 1 through 7], the following definitions apply:


(1) "Claimant" means an individual natural person who is eligible under [sections 1 through 7] to file a claim.

(2) "Claim period" means the current property tax year that corresponds to the calendar year in which the property is assessed and the first property tax payment is due.

(3) "Household" means an association of individuals who live in the same dwelling and who share its furnishings, facilities, accommodations, and expenses. The term does not include bona fide lessees, tenants, or roomers and boarders on contract.

(4) "Owner-occupied residence" means a single-family residence, including a trailer or mobile home described in 15-6-134(1)(b), or a condominium unit that is subject to property taxes and that is owned by a claimant, individually or jointly. The residence includes all improvements used for residential purposes and associated outbuildings. A taxpayer with a life estate is an owner for purposes of [sections 1 through 7].

NEW SECTION. Section 2. Homeowner's tax payment --


Amd. Coord.
Sec. of Senate


Senator Carrying Bill

HB 497

SENATE

eligibility. (1) In order to be eligible to make a claim for payment under [sections 1 through 7], the claimant must:

(a) have occupied an owner-occupied residence in Montana as the owner or contractor for deed for at least 7 months of the claim period;

(b) be the owner on January 1 of the claim period of a owner-occupied residence that the claimant also owned on January 1, 1993;

(c) be the owner of the owner-occupied residence described in subsection (1)(b) that had a market value for the 1993 tax year that was more than 15% greater than the market value on January 1 of the 1992 tax year.

(2) A claimant may own and occupy more than one owner-occupied residence in this state during the year and still meet the occupancy requirement in subsection (1)(a) if the total occupancy is for 7 months or more.

(3) In determining the increase in values required by [section 5] and subsection (1)(c) of this section, new construction and any remodeling or additions to existing improvements may not be considered.

(4) If the claimant meets the requirements of subsection (1) on any one owner-occupied residence, all other owner-occupied residence owned by the claimant that meet the requirements of subsection (1) are eligible for the payment, whether or not the owner-occupied residence was occupied by the owner for the required time. However, a claimant may elect a payment only for a single owner-occupied residence and the payment may not be made for a residence that was leased or rented during the claim period.

NEW SECTION. Section 3. Homeowner's tax payment -- filing date. (1) Except as provided in subsection (2), in order to receive payment, a claim for payment must be completed and must be submitted to the department by December 31 of the claim period or within 30 days of receiving a claim form, whichever is later.

(2) The department may grant a reasonable extension of time for filing a claim whenever, in its judgment, good cause exists.

(3) If an individual who would have a claim under [sections 1 through 7] dies before filing the claim, the estate of the decedent may file the claim.

NEW SECTION. Section 4. Homeowner's tax payment -- claim form. The department shall mail a claim form to each person owning residential property on January 1 of the claim period if the residential property, exclusive of new construction and remodeling or additions to existing improvements, increased in value by more than 15% from the 1992 tax year to the 1993 tax year. The claim form must be mailed at approximately the same

time as property tax notices required by 15-16-101 are mailed. The claim form must include all information necessary for the owner of the residence to claim the homeowner's tax payment. The claim form may require information necessary for the department to verify the claim.

NEW SECTION. Section 5. Homeowner's tax payment -- amount.

(1) Each claimant meeting the requirements of [sections 1 through 7] shall receive a homeowner's tax payment from the department if the amount of the payment exceeds \$25.

(2) The amount of the payment is determined by multiplying:

(a) the amount of market value of the residence identified in [section 2(1)(b)], including land and improvements, for the 1993 tax year that exceeds 115% of the market value for the 1992 tax year; times

(b) the tax rate that applied to the residence in tax year 1993; times

(c) the mill levy that applied to the residence in tax year 1993.

(3) A payment may not exceed \$1,000.

NEW SECTION. Section 6. Homeowner's tax payment -- limitations. (1) Only one claimant per household is entitled to a payment in a claim period.

(2) A claim is not allowed for an owner-occupied residence that is not subject to property taxes in Montana during the claim period.

NEW SECTION. Section 7. Homeowner's tax payment -- fraudulent claim -- penalty -- interest. If the claimant does not timely pay the property taxes for the claim period or if a false or fraudulent claim has been paid, the claimant shall return any payment. The amount paid may be recovered as any other debt owed the state. An additional 10% may be added to the amount due as a penalty. The unpaid debt, excluding penalty, bears interest, at the rate of 3/4% a month or fraction of a month, from the date of the original payment of the claim until paid."

Renumber: subsequent sections

5. Page 4, line 3.

Strike: "10"

Insert: "7"

6. Page 8, lines 20 through 26.

Strike: section 4 in its entirety

Renumber: subsequent sections

7. Page 9, line 29.

Strike: "[THIS ACT] REDUCES"

Insert: "[sections 8 through 11] reduce"

Strike: "IT IS"

Insert: "[sections 8 through 11] are"

8. Page 9.

Following: line 30

Insert: "NEW SECTION. Section 13. Codification instruction.

[Sections 1 through 7] are intended to be codified as an integral part of Title 15, chapter 30, part 1, and the provisions of Title 15, chapter 30, part 1, apply to [sections 1 through 7]."

Renumber: subsequent section

9. Page 10, line 5.

Strike: "[SECTION 5] APPLIES"

Insert: "[Sections 1 through 7 and 11] apply"

10. Page 10, line 7.

Insert: "NEW SECTION. Section 15. Termination. [Sections 1 through 7] terminate December 31, 1996."

-END-

SENATE COMMITTEE OF THE WHOLE AMENDMENT

April 8, 1995 11:29 am

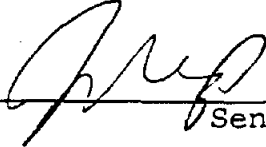
Mr. Chairman: I move to amend HB 497 (third reading copy -- blue).

ADOPT

37-11

REJECT

Signed: _____


Senator Harp

That such amendments read:

1. Title, line 16.

Following: "DATE"

Strike: "1"

Insert: "AND"

2. Title, lines 16 and 17

Strike: ", AND A COORDINATION PROVISION"

3. Page 9, lines 28 through 30.

Strike: section 6 in its entirety

Re-number: subsequent section

-END-



Amd. Coord.

HB 497

SENATE

811129CW.SPV

1 HOUSE BILL NO. 497

2 INTRODUCED BY BOHLINGER, SOMERVILLE, MURDOCK, RANEY, RYAN, WENNEMAR, T. NELSON,
3 ROSE, WELLS, ELLIOTT, FUCHS, SWANSON
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6 ~~PAYMENT OF AN INCREASE IN PROPERTY TAXES ON RESIDENTIAL PROPERTY IS DEFERRED UNTIL THE~~
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8 REQUIRING A CLAIM FORM FOR A PROPERTY TAX PAYMENT TO BE SENT TO THE TAXPAYER;
9 INCREASING THE EXEMPT VALUE OF RESIDENTIAL PROPERTY AND THE INCOME ELIGIBILITY SCHEDULE
10 UNDER THE ~~LOW INCOME~~ PROPERTY TAX ASSISTANCE PROGRAM; CHANGING THE APPLICATION
11 DATE FOR THE PROGRAM FROM MARCH 1 TO ~~APRIL~~ MARCH 15; PROVIDING MORE INFORMATION IN
12 THE DEPARTMENT'S NOTICE OF CLASSIFICATION, INCLUDING INFORMATION FOR COMPARISON OF
13 MILLS AND TAXES FOR THE PRIOR YEAR; PROVIDING FOR THE PHASE IN OF CHANGES IN THE VALUE
14 OF CLASS FOUR PROPERTY BECAUSE OF PERIODIC REVALUATION; ALLOWING A DECREASE IN
15 MARKET VALUE TO BE EFFECTIVE WITHOUT A PHASE IN; INCREASING THE MAXIMUM PROPERTY TAX
16 CREDIT FOR THE ELDERLY TO \$1,000 FROM \$400; ~~AND~~ AMENDING SECTIONS 15-6-134, 15-6-151,
17 ~~15-16-101, 15-16-102~~ 15-7-102, AND 15-30-176, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE
18 DATE, APPLICABILITY DATES, AND A TERMINATION DATE, AND A COORDINATION PROVISION."

19
20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
21

22 NEW SECTION. SECTION 1. HOMEOWNER'S TAX PAYMENT -- DEFINITIONS. AS USED IN
23 [SECTIONS 1 THROUGH 7], THE FOLLOWING DEFINITIONS APPLY:

24 (1) "CLAIMANT" MEANS AN INDIVIDUAL NATURAL PERSON WHO IS ELIGIBLE UNDER
25 [SECTIONS 1 THROUGH 7] TO FILE A CLAIM.

26 (2) "CLAIM PERIOD" MEANS THE CURRENT PROPERTY TAX YEAR THAT CORRESPONDS TO THE
27 CALENDAR YEAR IN WHICH THE PROPERTY IS ASSESSED AND THE FIRST PROPERTY TAX PAYMENT
28 IS DUE.

29 (3) "HOUSEHOLD" MEANS AN ASSOCIATION OF INDIVIDUALS WHO LIVE IN THE SAME
30 DWELLING AND WHO SHARE ITS FURNISHINGS, FACILITIES, ACCOMMODATIONS, AND EXPENSES.

1 THE TERM DOES NOT INCLUDE BONA FIDE LESSEES, TENANTS, OR ROOMERS AND BOARDERS ON
 2 CONTRACT.

3 (4) "OWNER-OCCUPIED RESIDENCE" MEANS A SINGLE-FAMILY RESIDENCE, INCLUDING A
 4 TRAILER OR MOBILE HOME DESCRIBED IN 15-6-134(1)(B), OR A CONDOMINIUM UNIT THAT IS SUBJECT
 5 TO PROPERTY TAXES AND THAT IS OWNED BY A CLAIMANT, INDIVIDUALLY OR JOINTLY. THE
 6 RESIDENCE INCLUDES ALL IMPROVEMENTS USED FOR RESIDENTIAL PURPOSES AND ASSOCIATED
 7 OUTBUILDINGS. A TAXPAYER WITH A LIFE ESTATE IS AN OWNER FOR PURPOSES OF [SECTIONS 1
 8 THROUGH 7].

9

10 NEW SECTION. SECTION 2. HOMEOWNER'S TAX PAYMENT -- ELIGIBILITY. (1) IN ORDER TO
 11 BE ELIGIBLE TO MAKE A CLAIM FOR PAYMENT UNDER [SECTIONS 1 THROUGH 7], THE
 12 CLAIMANT MUST:

13 (A) HAVE OCCUPIED AN OWNER-OCCUPIED RESIDENCE IN MONTANA AS THE OWNER OR
 14 CONTRACTOR FOR DEED FOR AT LEAST 7 MONTHS OF THE CLAIM PERIOD;

15 (B) BE THE OWNER ON JANUARY 1 OF THE CLAIM PERIOD OF AN OWNER-OCCUPIED
 16 RESIDENCE THAT THE CLAIMANT ALSO OWNED ON JANUARY 1, 1993;

17 (C) BE THE OWNER OF THE OWNER-OCCUPIED RESIDENCE DESCRIBED IN SUBSECTION (1)(B)
 18 THAT HAD A MARKET VALUE FOR THE 1993 TAX YEAR THAT WAS MORE THAN 15% GREATER THAN
 19 THE MARKET VALUE ON JANUARY 1 OF THE 1992 TAX YEAR.

20 (2) A CLAIMANT MAY OWN AND OCCUPY MORE THAN ONE OWNER-OCCUPIED RESIDENCE
 21 IN THIS STATE DURING THE YEAR AND STILL MEET THE OCCUPANCY REQUIREMENT IN SUBSECTION
 22 (1)(A) IF THE TOTAL OCCUPANCY IS FOR 7 MONTHS OR MORE.

23 (3) IN DETERMINING THE INCREASE IN VALUES REQUIRED BY [SECTION 5] AND SUBSECTION
 24 (1)(C) OF THIS SECTION, NEW CONSTRUCTION AND ANY REMODELING OR ADDITIONS TO EXISTING
 25 IMPROVEMENTS MAY NOT BE CONSIDERED.

26 (4) IF THE CLAIMANT MEETS THE REQUIREMENTS OF SUBSECTION (1) ON ANY ONE
 27 OWNER-OCCUPIED RESIDENCE, ALL OTHER OWNER-OCCUPIED RESIDENCES OWNED BY THE CLAIMANT
 28 THAT MEET THE REQUIREMENTS OF SUBSECTION (1) ARE ELIGIBLE FOR THE PAYMENT, WHETHER OR
 29 NOT THE OWNER-OCCUPIED RESIDENCE WAS OCCUPIED BY THE OWNER FOR THE REQUIRED TIME.
 30 HOWEVER, A CLAIMANT MAY ELECT A PAYMENT ONLY FOR A SINGLE OWNER-OCCUPIED RESIDENCE

1 AND THE PAYMENT MAY NOT BE MADE FOR A RESIDENCE THAT WAS LEASED OR RENTED DURING
2 THE CLAIM PERIOD.

3
4 NEW SECTION. SECTION 3. HOMEOWNER'S TAX PAYMENT -- FILING DATE. (1) EXCEPT AS
5 PROVIDED IN SUBSECTION (2), IN ORDER TO RECEIVE PAYMENT, A CLAIM FOR PAYMENT MUST BE
6 COMPLETED AND MUST BE SUBMITTED TO THE DEPARTMENT BY DECEMBER 31 OF THE CLAIM PERIOD
7 OR WITHIN 30 DAYS OF RECEIVING A CLAIM FORM, WHICHEVER IS LATER.

8 (2) THE DEPARTMENT MAY GRANT A REASONABLE EXTENSION OF TIME FOR FILING A CLAIM
9 WHENEVER, IN ITS JUDGMENT, GOOD CAUSE EXISTS.

10 (3) IF AN INDIVIDUAL WHO WOULD HAVE A CLAIM UNDER [SECTIONS 1 THROUGH 7] DIES
11 BEFORE FILING THE CLAIM, THE ESTATE OF THE DECEDENT MAY FILE THE CLAIM.

12
13 NEW SECTION. SECTION 4. HOMEOWNER'S TAX PAYMENT -- CLAIM FORM. THE
14 DEPARTMENT SHALL MAIL A CLAIM FORM TO EACH PERSON OWNING RESIDENTIAL PROPERTY ON
15 JANUARY 1 OF THE CLAIM PERIOD IF THE RESIDENTIAL PROPERTY, EXCLUSIVE OF NEW
16 CONSTRUCTION AND REMODELING OR ADDITIONS TO EXISTING IMPROVEMENTS, INCREASED IN
17 VALUE BY MORE THAN 15% FROM THE 1992 TAX YEAR TO THE 1993 TAX YEAR. THE CLAIM FORM
18 MUST BE MAILED AT APPROXIMATELY THE SAME TIME AS PROPERTY TAX NOTICES REQUIRED BY
19 15-16-101 ARE MAILED. THE CLAIM FORM MUST INCLUDE ALL INFORMATION NECESSARY FOR THE
20 OWNER OF THE RESIDENCE TO CLAIM THE HOMEOWNER'S TAX PAYMENT. THE CLAIM FORM MAY
21 REQUIRE INFORMATION NECESSARY FOR THE DEPARTMENT TO VERIFY THE CLAIM.

22
23 NEW SECTION. SECTION 5. HOMEOWNER'S TAX PAYMENT -- AMOUNT. (1) EACH CLAIMANT
24 MEETING THE REQUIREMENTS OF [SECTIONS 1 THROUGH 7] SHALL RECEIVE A HOMEOWNER'S TAX
25 PAYMENT FROM THE DEPARTMENT IF THE AMOUNT OF THE PAYMENT EXCEEDS \$25.

26 (2) THE AMOUNT OF THE PAYMENT IS DETERMINED BY MULTIPLYING:

27 (A) THE AMOUNT OF MARKET VALUE OF THE RESIDENCE IDENTIFIED IN [SECTION 2(1)(B)],
28 INCLUDING LAND AND IMPROVEMENTS, FOR THE 1993 TAX YEAR THAT EXCEEDS 115% OF THE
29 MARKET VALUE FOR THE 1992 TAX YEAR; TIMES

30 (B) THE TAX RATE THAT APPLIED TO THE RESIDENCE IN TAX YEAR 1993; TIMES

1 (C) THE MILL LEVY THAT APPLIED TO THE RESIDENCE IN TAX YEAR 1993.

2 (3) A PAYMENT MAY NOT EXCEED \$1,000.

3

4 NEW SECTION. SECTION 6. HOMEOWNER'S TAX PAYMENT -- LIMITATIONS. (1) ONLY ONE
5 CLAIMANT PER HOUSEHOLD IS ENTITLED TO A PAYMENT IN A CLAIM PERIOD.

6 (2) A CLAIM IS NOT ALLOWED FOR AN OWNER-OCCUPIED RESIDENCE THAT IS NOT SUBJECT
7 TO PROPERTY TAXES IN MONTANA DURING THE CLAIM PERIOD.

8

9 NEW SECTION. SECTION 7. HOMEOWNER'S TAX PAYMENT -- FRAUDULENT CLAIM -- PENALTY
10 -- INTEREST. IF THE CLAIMANT DOES NOT TIMELY PAY THE PROPERTY TAXES FOR THE CLAIM PERIOD
11 OR IF A FALSE OR FRAUDULENT CLAIM HAS BEEN PAID, THE CLAIMANT SHALL RETURN ANY
12 PAYMENT. THE AMOUNT PAID MAY BE RECOVERED AS ANY OTHER DEBT OWED THE STATE. AN
13 ADDITIONAL 10% MAY BE ADDED TO THE AMOUNT DUE AS A PENALTY. THE UNPAID DEBT,
14 EXCLUDING PENALTY, BEARS INTEREST, AT THE RATE OF 3/4% A MONTH OR FRACTION OF A MONTH,
15 FROM THE DATE OF THE ORIGINAL PAYMENT OF THE CLAIM UNTIL PAID.

16

17 ~~Section 1. Section 15-16-101, MCA, is amended to read:~~

18 ~~"15-16-101. Treasurer to publish notice -- manner of publication. (1) Within 10 days after the~~
19 ~~receipt of the property tax record, the county treasurer shall publish a notice specifying:~~

20 ~~(a) that one half the first installment of all taxes levied and assessed will be due and payable before~~
21 ~~5 p.m. on the next November 30 or within 30 days after the notice is postmarked and that, unless paid~~
22 ~~prior to that time, the amount then due will be delinquent and will draw interest at the rate of 5/6 of 1%~~
23 ~~per month from the time of delinquency until paid and 2% will be added to the delinquent taxes as a~~
24 ~~penalty;~~

25 ~~(b) that one half the second installment of all taxes levied and assessed will be due and payable~~
26 ~~on or before 5 p.m. on the next May 31 and that, unless paid prior to that time, the taxes will be delinquent~~
27 ~~and will draw interest at the rate of 5/6 of 1% per month from the time of delinquency until paid and 2%~~
28 ~~will be added to the delinquent taxes as a penalty; and~~

29 ~~(c) the time and place at which payment of taxes may be made.~~

30 ~~(2) The county treasurer shall send to the last known address of each taxpayer a written notice,~~

1 ~~postage prepaid, showing the amount of taxes and assessments due for the current year and the amount~~
 2 ~~due and delinquent for other years. The written notice must include:~~

3 ~~(a) the taxable value of the property;~~

4 ~~(b) the total mill levy applied to that taxable value;~~

5 ~~(c) the value of each mill in that county;~~

6 ~~(d) itemized city services and special improvement district assessments collected by the county,~~
 7 ~~with appropriate subtotals;~~

8 ~~(e) the number of the school district in which the property is located; and~~

9 ~~(f) the amount of the total tax due that is levied as city tax, county tax, state tax, school district~~
 10 ~~tax, and other tax.~~

11 ~~(3) The municipality shall, upon request of the county treasurer, provide the information to be~~
 12 ~~included under subsection (2)(d) in a form ready for mailing.~~

13 ~~(4) The notice in every each case must be published once a week for 2 weeks in a weekly or daily~~
 14 ~~newspaper published in the county, if there is one a newspaper, or, if there is not, then by posting it the~~
 15 ~~notice in three public places. Failure to publish or post notices does not relieve the taxpayer from any tax~~
 16 ~~liability. Any failure to give notice of the tax due for the current year or of delinquent tax will not affect~~
 17 ~~the legality of the tax."~~

18

19 ~~Section 2. Section 15-16-102, MCA, is amended to read:~~

20 ~~"15-16-102. Time for payment — penalty for delinquency. Except as provided in 15-16-802 and~~
 21 ~~15-16-803 and unless suspended or canceled under the provisions of Title 15, chapter 24, part 17, all taxes~~
 22 ~~levied and assessed in the state of Montana, except assessments made for special improvements in cities~~
 23 ~~and towns payable under 15-16-103 and assessments made on interim production and new production as~~
 24 ~~provided in Title 15, chapter 23, part 6, and payable under 15-16-121, shall be are payable as follows:~~

25 ~~(1) (a) One half The first installment of the taxes are is payable on or before 5 p.m. on November~~
 26 ~~30 of each year or within 30 days after the tax notice is postmarked, whichever is later, and one half the~~
 27 ~~second installment is payable on or before 5 p.m. on May 31 of each year.~~

28 ~~(b) If the property is residential property, the first installment of taxes is an amount equal to~~
 29 ~~one half of the taxes due on the property the prior tax year and the second installment is the balance of~~
 30 ~~the taxes due. If the property is not residential property or if it is residential property but its description~~

1 ~~or character has changed because of subdivision, consolidation, construction, or similar factors, the first~~
 2 ~~installment of taxes is one half of the taxes due.~~

3 ~~(2) Unless one half the first installment of the taxes are is paid on or before 5 p.m. on November~~
 4 ~~30 of each year or within 30 days after the tax notice is postmarked, whichever is later, then the amount~~
 5 ~~so payable shall become is delinquent and shall draw draws interest at the rate of 5/6 of 1% per month~~
 6 ~~from and after the delinquency until paid and 2% shall must be added to the delinquent taxes as a penalty.~~

7 ~~(3) All taxes due and not paid on or before 5 p.m. on May 31 of each year shall be are delinquent~~
 8 ~~and shall draw interest at the rate of 5/6 of 1% per month from and after the delinquency until paid, and~~
 9 ~~2% shall must be added to the delinquent taxes as a penalty.~~

10 ~~(4) If the date on which taxes are due falls on a holiday or Saturday, taxes may be paid without~~
 11 ~~penalty or interest on or before 5 p.m. of the next business day in accordance with 1-1-307.~~

12 ~~(5) A taxpayer may pay his current year taxes without paying delinquent taxes. The county~~
 13 ~~treasurer must accept a partial payment equal to the delinquent taxes, including penalty and interest, for~~
 14 ~~one or more full taxable tax years, provided both halves of the current tax year have been paid. Payment~~
 15 ~~of delinquent taxes must be applied to the taxes that have been delinquent the longest. The payment of~~
 16 ~~the current tax year is not a redemption of the property tax lien for any delinquent tax year.~~

17 ~~(6) The penalty and interest on delinquent assessment payments for specific parcels of land may~~
 18 ~~be waived by resolution of the city council. A copy of the resolution must be certified to the county~~
 19 ~~treasurer."~~

20
 21 **Section 8.** Section 15-6-134, MCA, is amended to read:

22 **"15-6-134. Class four property -- description -- taxable percentage.** (1) Class four property
 23 includes:

- 24 (a) all land, except that specifically included in another class;
- 25 (b) all improvements, including trailers or mobile homes used as a residence, except those
 26 specifically included in another class;
- 27 (c) the first ~~\$80,000~~ \$100,000 or less of the market value of any improvement on real property,
 28 including trailers or mobile homes, and appurtenant land not exceeding 5 acres owned or under contract
 29 for deed and actually occupied for at least ~~40~~ 7 months a year as the primary residential dwelling of any
 30 person whose total income from all sources, including net business income and otherwise tax-exempt

1 income of all types but not including social security income paid directly to a nursing home, is not more
 2 than ~~\$10,000~~ \$15,000 for a single person or ~~\$12,000~~ \$20,000 for a married couple or a head of
 3 household, as adjusted according to subsection (2)(b)(iii). For the purposes of this subsection (c), net
 4 business income is gross income less ordinary operating expenses but before deducting depreciation or
 5 depletion allowance, or both.

6 (d) all golf courses, including land and improvements actually and necessarily used for that
 7 purpose, that consist of at least ~~9~~ nine holes and not less than 3,000 lineal yards; and

8 (e) all improvements on land that is eligible for valuation, assessment, and taxation as agricultural
 9 land under 15-7-202(2), including 1 acre of real property beneath the agricultural improvements. The 1
 10 acre must be valued at market value.

11 (2) Class four property is taxed as follows:

12 (a) Except as provided in 15-24-1402 or 15-24-1501, property described in subsections (1)(a),
 13 (1)(b), and (1)(e) is taxed at 3.86% of its market value.

14 (b) (i) Property ~~described~~ QUALIFYING UNDER THE PROPERTY TAX ASSISTANCE PROGRAM in
 15 subsection (1)(c) is taxed at 3.86% of its market value multiplied by a percentage figure based on income
 16 and determined from the following table:

17	Income	Income	Percentage
18	Single Person	Married Couple	Multiplier
19		Head of Household	
20	\$ 0 - \$ 1,000	\$ 0 - \$ 1,200	0% <u>20%</u>
21	\$ 0 - \$ 1,500	\$ 0 - \$ 2,000	
22	<u>\$ 6,000</u>	<u>\$ 8,000</u>	
23	1,001 - 2,000	1,201 - 2,400	10% <u>50%</u>
24	1,501 - 3,000	2,001 - 4,000	
25	<u>6,001 - 9,200</u>	<u>8,001 - 14,000</u>	
26	2,001 - 3,000	2,401 - 3,600	20% <u>70%</u>
27	3,001 - 4,500	4,001 - 6,000	
28	<u>9,201 - 15,000</u>	<u>14,001 - 20,000</u>	
29	3,001 - 4,000	3,601 - 4,800	<u>30%</u>
30	<u>4,501 - 6,000</u>	<u>6,001 - 8,000</u>	

1	4,001—5,000	4,801—6,000	40%
2	6,001—7,500	8,001—10,000	
3	5,001—6,000	6,001—7,200	50%
4	7,501—9,000	10,001—12,000	
5	6,001—7,000	7,201—8,400	60%
6	9,001—10,500	12,001—14,000	
7	7,001—8,000	8,401—9,600	70%
8	10,501—12,000	14,001—16,000	
9	8,001—9,000	9,601—10,800	80%
10	12,001—13,500	16,001—18,000	
11	9,001—10,000	10,801—12,000	90%
12	13,501—15,000	18,001—20,000	

13 (ii) The income levels contained in the table in subsection (2)(b)(i) must be adjusted for inflation
 14 annually by the department of revenue. The adjustment to the income levels is determined by:

15 (A) multiplying the appropriate dollar amount from the table in subsection (2)(b)(i) by the ratio of
 16 the PCE for the second quarter of the year prior to the year of application to the PCE for the second quarter
 17 of ~~1986~~ 1995; and

18 (B) rounding the product thus obtained to the nearest whole dollar amount.

19 (iii) "PCE" means the implicit price deflator for personal consumption expenditures as published
 20 quarterly in the Survey of Current Business by the bureau of economic analysis of the U.S. department of
 21 commerce.

22 (c) Property described in subsection (1)(d) is taxed at one-half the taxable percentage rate
 23 established in subsection (2)(a).

24 (3) ~~After July 1, 1986, an adjustment may not be made by the department to the taxable~~
 25 ~~percentage rate for class four property until a revaluation has been made as provided in 15-7-111.~~

26 (4) Within the meaning of comparable property, as defined in 15-1-101, property assessed as
 27 commercial property is comparable only to other property assessed as commercial property, and property
 28 assessed as other than commercial property is comparable only to other property assessed as other than
 29 commercial property."

30

1 **Section 9.** Section 15-6-151, MCA, is amended to read:

2 **"15-6-151. Application for certain class four classifications.** (1) A person applying for
3 classification of property UNDER THE PROPERTY TAX ASSISTANCE PROGRAM described in ~~subsection~~
4 ~~(1)(e) of 15-6-134 (1)(c)~~ shall make an affidavit to the department of revenue, on a form provided by the
5 department without cost, stating:

6 (a) ~~his~~ the person's income;

7 (b) the fact that ~~he~~ the person maintains the land and improvements as ~~his~~ the person's primary
8 residential dwelling, ~~where~~ when applicable; and

9 (c) ~~such~~ other information ~~as~~ that is relevant to the applicant's eligibility.

10 (2) This application must be made before ~~March 1 April~~ MARCH 15 of the year after the applicant
11 becomes eligible. The application remains in effect in subsequent years unless there is a change in the
12 applicant's eligibility. The taxpayer shall inform the department of any change in eligibility. The department
13 may inquire by mail whether any change in eligibility has taken place and may require a new statement of
14 eligibility at any time that it considers necessary.

15 (3) The affidavit is sufficient if the applicant signs a statement affirming the correctness of the
16 information supplied, whether or not the statement is signed before a person authorized to administer oaths,
17 and mails the application and statement to the department ~~of revenue~~. This signed statement ~~shall~~ must
18 be treated as a statement under oath or equivalent affirmation for the purposes of 45-7-202, relating to the
19 criminal offense of false swearing."

20

21 **SECTION 10. SECTION 15-7-102, MCA, IS AMENDED TO READ:**

22 **"15-7-102. Notice of classification and appraisal to owners -- appeals.** (1) (a) The department
23 shall mail to each owner or purchaser under contract for deed a notice of the classification of the land
24 owned or being purchased and the appraisal of the improvements on the land only if one or more of the
25 following changes pertaining to the land or improvements have been made since the last notice:

26 ~~(a)~~ (i) change in ownership;

27 ~~(b)~~ (ii) change in classification;

28 ~~(c)~~ (iii) change in valuation; or

29 ~~(d)~~ (iv) addition or subtraction of personal property affixed to the land.

30 (b) The notice must include the following for the taxpayer's informational purposes:

1 (i) the total amount of mills levied against the property in the prior year;

2 (ii) the amount of the prior year's taxes resulting from levied mills;

3 (iii) an estimate of the current year's taxes based on the prior year's mills; and

4 (iv) a statement that the notice is not a tax bill.

5 (c) Any misinformation provided in the information required by subsection (1)(b) does not affect
6 the validity of the notice and may not be used as a basis for a challenge of the legality of the notice.

7 (2) (a) The department shall assign each assessment to the correct owner or purchaser under
8 contract for deed and mail the notice of classification and appraisal on a standardized form, adopted by the
9 department, containing sufficient information in a comprehensible manner designed to fully inform the
10 taxpayer as to the classification and appraisal of the property and of changes over the prior tax year.

11 (b) The notice must advise the taxpayer that in order to be eligible for a refund of taxes from an
12 appeal of the classification or appraisal, the taxpayer is required to pay the taxes under protest as provided
13 in 15-1-402.

14 (3) If the owner of any land and improvements is dissatisfied with the appraisal as it reflects the
15 market value of the property as determined by the department or with the classification of the land or
16 improvements, the owner may request an assessment review by submitting an objection in writing to the
17 department, on forms provided by the department for that purpose, within 15 days after receiving the
18 notice of classification and appraisal from the department. The review must be conducted informally and
19 is not subject to the contested case procedures of the Montana Administrative Procedure Act. As a part
20 of the review, the department may consider the actual selling price of the property, independent appraisals
21 of the property, and other relevant information presented by the taxpayer in support of the taxpayer's
22 opinion as to the market value of the property. The department shall give reasonable notice to the taxpayer
23 of the time and place of the review. After the review, the department shall determine the ~~true and~~ correct
24 appraisal and classification of the land or improvements and notify the taxpayer of its determination. In
25 the notification, the department shall state its reasons for revising the classification or appraisal. When the
26 proper appraisal and classification have been determined, the land must be classified and the improvements
27 appraised in the manner ordered by the department.

28 (4) Whether a review as provided in subsection (3) is held or not, the department may not adjust
29 an appraisal or classification upon the taxpayer's objection unless:

30 (a) the taxpayer has submitted an objection in writing; and

1 (b) the department has stated its reason in writing for making the adjustment.

2 (5) A taxpayer's written objection to a classification or appraisal and the department's notification
3 to the taxpayer of its determination and the reason for that determination are public records. The
4 department shall make the records available for inspection during regular office hours.

5 (6) If any property owner feels aggrieved by the classification or appraisal made by the department
6 after the review provided for in subsection (3), the property owner has the right to first appeal to the
7 county tax appeal board and then to the state tax appeal board, whose findings are final subject to the right
8 of review in the courts. The appeal to the county tax appeal board must be filed within 15 days after
9 notice of the department's determination is mailed to the taxpayer. A county tax appeal board or the state
10 tax appeal board may consider the actual selling price of the property, independent appraisals of the
11 property, and other relevant information presented by the taxpayer as evidence of the market value of the
12 property. If the county tax appeal board or the state tax appeal board determines that an adjustment
13 should be made, the department shall adjust the base value of the property in accordance with the board's
14 order."

15
16 ~~NEW SECTION. SECTION 4. PHASE IN OF REVALUATION OF LAND. (1) AN INCREASE IN THE~~
17 ~~APPRAISED VALUE OF CLASS FOUR PROPERTY RESULTING FROM A REVALUATION CYCLE UNDER~~
18 ~~15-7-111 MUST BE PHASED IN. EACH YEAR FOLLOWING A REVALUATION CYCLE, THE VALUE OF THE~~
19 ~~PROPERTY MUST BE INCREASED ANNUALLY BY ONE THIRD OF THE DIFFERENCE BETWEEN THE~~
20 ~~PHASED IN VALUE FROM THE PREVIOUS APPRAISED VALUE AND THE NEW APPRAISED VALUE.~~

21 ~~(2) IF THE APPRAISED VALUE OF PROPERTY DECREASES BECAUSE OF A REVALUATION CYCLE,~~
22 ~~THE DECREASED VALUE IS THE ASSESSED VALUE AND IS NOT PHASED IN.~~

23
24 **Section 11.** Section 15-30-176, MCA, is amended to read:

25 **"15-30-176. Residential property tax credit for elderly -- computation of relief.** The amount of the
26 tax credit granted under the provisions of 15-30-171 through 15-30-179 is computed as follows:

27 (1) In the case of a claimant who owns the homestead for which a claim is made, the credit is the
28 amount of property tax paid less the deduction specified in subsection (4).

29 (2) In the case of a claimant who rents the homestead for which a claim is made, the credit is the
30 amount of rent-equivalent tax paid less the deduction specified in subsection (4).

1 (3) In the case of a claimant who both owns and rents the homestead for which a claim is made,
 2 the credit is:

3 (a) the amount of property tax paid on the owned portion of the homestead less the deduction
 4 specified in subsection (4); plus

5 (b) the amount of rent-equivalent tax paid on the rented portion of the homestead less the
 6 deduction specified in subsection (4).

7 (4) Property tax paid and rent-equivalent tax paid are reduced according to the following schedule:

8 Household income	Amount of reduction
9 \$ 0-999	\$0
10 1,000-1,999	\$0
11 2,000-2,999	the product of .006 times the household income
12 3,000-3,999	the product of .016 times the household income
13 4,000-4,999	the product of .024 times the household income
14 5,000-5,999	the product of .028 times the household income
15 6,000-6,999	the product of .032 times the household income
16 7,000-7,999	the product of .035 times the household income
17 8,000-8,999	the product of .039 times the household income
18 9,000-9,999	the product of .042 times the household income
19 10,000-10,999	the product of .045 times the household income
20 11,000-11,999	the product of .048 times the household income
21 12,000 & over	the product of .050 times the household income

22 (5) In no case may the credit granted exceed ~~\$400~~ \$1,000."

23

24 ~~NEW SECTION. SECTION 6. COORDINATION. IN ORDER TO MAINTAIN A BALANCED BUDGET,~~
 25 ~~BECAUSE [THIS ACT] REDUCES [SECTIONS 8 THROUGH 11] REDUCE REVENUE, IT IS [SECTIONS 8~~
 26 ~~THROUGH 11] ARE VOID UNLESS HOUSE BILL NO. 293 IS PASSED AND APPROVED CONTAINING AN~~
 27 ~~ESTIMATED REVENUE INCREASE OF AT LEAST \$2,200,000.~~

28

29 NEW SECTION. SECTION 12. CODIFICATION INSTRUCTION. [SECTIONS 1 THROUGH 7] ARE
 30 INTENDED TO BE CODIFIED AS AN INTEGRAL PART OF TITLE 15, CHAPTER 30, PART 1, AND THE

1 PROVISIONS OF TITLE 15, CHAPTER 30, PART 1, APPLY TO [SECTIONS 1 THROUGH 7].

2

3 NEW SECTION. SECTION 13. EFFECTIVE DATE -- APPLICABILITY. (1) [THIS ACT] IS EFFECTIVE
4 ON PASSAGE AND APPROVAL.

5 (2) (A) EXCEPT AS PROVIDED IN SUBSECTION (2)(B), [THIS ACT] APPLIES TO TAX YEARS
6 BEGINNING AFTER DECEMBER 31, 1995.

7 (B) ~~[SECTION 6] APPLIES~~ [SECTIONS 1 THROUGH 7 AND 11] APPLY RETROACTIVELY, WITHIN
8 THE MEANING OF 1-2-109, TO TAX YEARS BEGINNING AFTER DECEMBER 31, 1994.

9

10 NEW SECTION. SECTION 14. TERMINATION. [SECTIONS 1 THROUGH 7] TERMINATE
11 DECEMBER 31, 1996.

12

-END-



FREE CONFERENCE COMMITTEE

on House Bill 497

Report No. 1, April 12, 1995

Page 1 of 2

Mr. Speaker and Mr. President:

We, your Free Conference Committee met and considered **House Bill 497** and recommend the following amendments:

1. Title, line 16.

Following: " ; "

Insert: "APPROPRIATING FUNDS FOR REIMBURSEMENT PAYMENTS AND FOR ADMINISTRATION OF REIMBURSEMENTS ;"

2. Page 3, line 1.

Following: "RENTED"

Insert: "for more than 5 months"

3. Page 4, line 10.

Following: "PERIOD"

Insert: " , "

4. Page 4, line 11.

Strike: "OR"

Following: "PAID,"

Insert: "or if a tax appeal renders the claimant ineligible"

5. Page 12, line 28.

Insert: "NEW SECTION. **Section 12. Appropriations.** (1) There is appropriated from the general fund to the department of revenue \$7,500,000 for fiscal year 1996 and \$7,500,000 for fiscal year 1997 for the homeowner's tax payment provided for in [sections 1 through 7]. Any unexpended funds may be carried over to fiscal year 1998.

(2) There is appropriated from the general fund to the department of revenue \$200,000 for fiscal year 1996 and \$165,000 for fiscal year 1997 for administering [sections 1 through 7]. Any unexpended funds from fiscal year 1996 are reappropriated for fiscal year 1997.

(3) There is appropriated from the general fund to the department of revenue \$11,500 for fiscal year 1996 and \$3,000 for fiscal year 1997 for outreach costs associated with the property tax assistance program."

Renumber: subsequent sections

ADOPT

REJECT

HB 497

FCCR #1

841251CC.Hbk

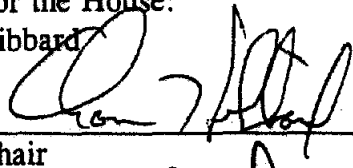
6. Page 12, line 30.
Page 13, line 1.
Strike: "30, PART"

We recommend that the amendments to House Bill 497 be acceded to by the senate.

And this FREE Conference Committee report be adopted.

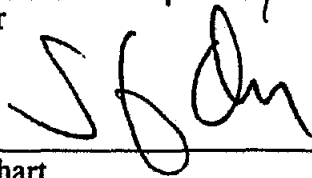
For the House:

Hibbard



Chair

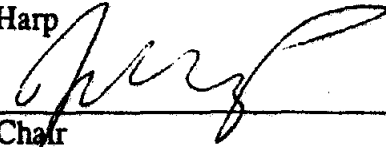
Orr



Barnhart

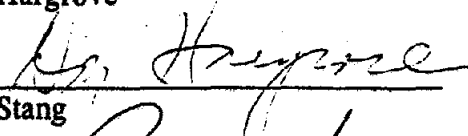
For the Senate:

Harp

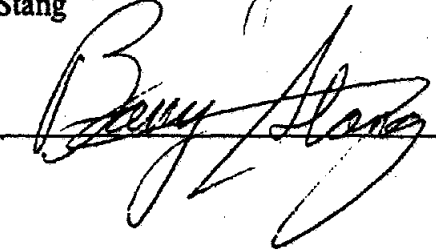


Chair

Hargrove



Stang



HOUSE BILL NO. 497

INTRODUCED BY BOHLINGER, SOMERVILLE, MURDOCK, RANEY, RYAN, WENNEMAR, T. NELSON,

ROSE, WELLS, ELLIOTT, FUCHS, SWANSON

A BILL FOR AN ACT ENTITLED: "AN ACT RELATING TO PROPERTY TAXES; ~~PROVIDING THAT THE~~
~~PAYMENT OF AN INCREASE IN PROPERTY TAXES ON RESIDENTIAL PROPERTY IS DEFERRED UNTIL THE~~
~~MAY PAYMENT;~~ PROVIDING FOR A PAYMENT TO CERTAIN TAXPAYERS FOR PROPERTY TAXES PAID;
REQUIRING A CLAIM FORM FOR A PROPERTY TAX PAYMENT TO BE SENT TO THE TAXPAYER;
 INCREASING THE EXEMPT VALUE OF RESIDENTIAL PROPERTY AND THE INCOME ELIGIBILITY SCHEDULE
 UNDER THE ~~LOW-INCOME~~ PROPERTY TAX ASSISTANCE PROGRAM; CHANGING THE APPLICATION
 DATE FOR THE PROGRAM FROM MARCH 1 TO ~~APRIL~~ MARCH 15; PROVIDING MORE INFORMATION IN
THE DEPARTMENT'S NOTICE OF CLASSIFICATION, INCLUDING INFORMATION FOR COMPARISON OF
MILLS AND TAXES FOR THE PRIOR YEAR; PROVIDING FOR THE PHASE IN OF CHANGES IN THE VALUE
OF CLASS FOUR PROPERTY BECAUSE OF PERIODIC REVALUATION; ALLOWING A DECREASE IN
MARKET VALUE TO BE EFFECTIVE WITHOUT A PHASE IN; INCREASING THE MAXIMUM PROPERTY TAX
 CREDIT FOR THE ELDERLY TO \$1,000 FROM \$400; APPROPRIATING FUNDS FOR REIMBURSEMENT
PAYMENTS AND FOR ADMINISTRATION OF REIMBURSEMENTS; AND AMENDING SECTIONS 15-6-134,
15-6-151, ~~15-16-101, 15-16-102~~ 15-7-102, AND 15-30-176, MCA; AND PROVIDING AN IMMEDIATE
EFFECTIVE DATE, APPLICABILITY DATES, AND A TERMINATION DATE, AND A COORDINATION
PROVISION."

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

NEW SECTION. SECTION 1. HOMEOWNER'S TAX PAYMENT -- DEFINITIONS. AS USED IN
[SECTIONS 1 THROUGH 7], THE FOLLOWING DEFINITIONS APPLY:

(1) "CLAIMANT" MEANS AN INDIVIDUAL NATURAL PERSON WHO IS ELIGIBLE UNDER
[SECTIONS 1 THROUGH 7] TO FILE A CLAIM.

(2) "CLAIM PERIOD" MEANS THE CURRENT PROPERTY TAX YEAR THAT CORRESPONDS TO THE
CALENDAR YEAR IN WHICH THE PROPERTY IS ASSESSED AND THE FIRST PROPERTY TAX PAYMENT
IS DUE.

1 (3) "HOUSEHOLD" MEANS AN ASSOCIATION OF INDIVIDUALS WHO LIVE IN THE SAME
2 DWELLING AND WHO SHARE ITS FURNISHINGS, FACILITIES, ACCOMMODATIONS, AND EXPENSES.
3 THE TERM DOES NOT INCLUDE BONA FIDE LESSEES, TENANTS, OR ROOMERS AND BOARDERS ON
4 CONTRACT.

5 (4) "OWNER-OCCUPIED RESIDENCE" MEANS A SINGLE-FAMILY RESIDENCE, INCLUDING A
6 TRAILER OR MOBILE HOME DESCRIBED IN 15-6-134(1)(B), OR A CONDOMINIUM UNIT THAT IS SUBJECT
7 TO PROPERTY TAXES AND THAT IS OWNED BY A CLAIMANT, INDIVIDUALLY OR JOINTLY. THE
8 RESIDENCE INCLUDES ALL IMPROVEMENTS USED FOR RESIDENTIAL PURPOSES AND ASSOCIATED
9 OUTBUILDINGS. A TAXPAYER WITH A LIFE ESTATE IS AN OWNER FOR PURPOSES OF [SECTIONS 1
10 THROUGH 7].

11
12 NEW SECTION. SECTION 2. HOMEOWNER'S TAX PAYMENT -- ELIGIBILITY. (1) IN ORDER TO
13 BE ELIGIBLE TO MAKE A CLAIM FOR PAYMENT UNDER [SECTIONS 1 THROUGH 7], THE
14 CLAIMANT MUST:

15 (A) HAVE OCCUPIED AN OWNER-OCCUPIED RESIDENCE IN MONTANA AS THE OWNER OR
16 CONTRACTOR FOR DEED FOR AT LEAST 7 MONTHS OF THE CLAIM PERIOD;

17 (B) BE THE OWNER ON JANUARY 1 OF THE CLAIM PERIOD OF AN OWNER-OCCUPIED
18 RESIDENCE THAT THE CLAIMANT ALSO OWNED ON JANUARY 1, 1993;

19 (C) BE THE OWNER OF THE OWNER-OCCUPIED RESIDENCE DESCRIBED IN SUBSECTION (1)(B)
20 THAT HAD A MARKET VALUE FOR THE 1993 TAX YEAR THAT WAS MORE THAN 15% GREATER THAN
21 THE MARKET VALUE ON JANUARY 1 OF THE 1992 TAX YEAR.

22 (2) A CLAIMANT MAY OWN AND OCCUPY MORE THAN ONE OWNER-OCCUPIED RESIDENCE
23 IN THIS STATE DURING THE YEAR AND STILL MEET THE OCCUPANCY REQUIREMENT IN SUBSECTION
24 (1)(A) IF THE TOTAL OCCUPANCY IS FOR 7 MONTHS OR MORE.

25 (3) IN DETERMINING THE INCREASE IN VALUES REQUIRED BY [SECTION 5] AND SUBSECTION
26 (1)(C) OF THIS SECTION, NEW CONSTRUCTION AND ANY REMODELING OR ADDITIONS TO EXISTING
27 IMPROVEMENTS MAY NOT BE CONSIDERED.

28 (4) IF THE CLAIMANT MEETS THE REQUIREMENTS OF SUBSECTION (1) ON ANY ONE
29 OWNER-OCCUPIED RESIDENCE, ALL OTHER OWNER-OCCUPIED RESIDENCES OWNED BY THE CLAIMANT
30 THAT MEET THE REQUIREMENTS OF SUBSECTION (1) ARE ELIGIBLE FOR THE PAYMENT, WHETHER OR

1 NOT THE OWNER-OCCUPIED RESIDENCE WAS OCCUPIED BY THE OWNER FOR THE REQUIRED TIME.
 2 HOWEVER, A CLAIMANT MAY ELECT A PAYMENT ONLY FOR A SINGLE OWNER-OCCUPIED RESIDENCE
 3 AND THE PAYMENT MAY NOT BE MADE FOR A RESIDENCE THAT WAS LEASED OR RENTED FOR MORE
 4 THAN 5 MONTHS DURING THE CLAIM PERIOD.

5
 6 NEW SECTION. SECTION 3. HOMEOWNER'S TAX PAYMENT -- FILING DATE. (1) EXCEPT AS
 7 PROVIDED IN SUBSECTION (2), IN ORDER TO RECEIVE PAYMENT, A CLAIM FOR PAYMENT MUST BE
 8 COMPLETED AND MUST BE SUBMITTED TO THE DEPARTMENT BY DECEMBER 31 OF THE CLAIM PERIOD
 9 OR WITHIN 30 DAYS OF RECEIVING A CLAIM FORM, WHICHEVER IS LATER.

10 (2) THE DEPARTMENT MAY GRANT A REASONABLE EXTENSION OF TIME FOR FILING A CLAIM
 11 WHENEVER, IN ITS JUDGMENT, GOOD CAUSE EXISTS.

12 (3) IF AN INDIVIDUAL WHO WOULD HAVE A CLAIM UNDER [SECTIONS 1 THROUGH 7] DIES
 13 BEFORE FILING THE CLAIM, THE ESTATE OF THE DECEDENT MAY FILE THE CLAIM.

14
 15 NEW SECTION. SECTION 4. HOMEOWNER'S TAX PAYMENT -- CLAIM FORM. THE
 16 DEPARTMENT SHALL MAIL A CLAIM FORM TO EACH PERSON OWNING RESIDENTIAL PROPERTY ON
 17 JANUARY 1 OF THE CLAIM PERIOD IF THE RESIDENTIAL PROPERTY, EXCLUSIVE OF NEW
 18 CONSTRUCTION AND REMODELING OR ADDITIONS TO EXISTING IMPROVEMENTS, INCREASED IN
 19 VALUE BY MORE THAN 15% FROM THE 1992 TAX YEAR TO THE 1993 TAX YEAR. THE CLAIM FORM
 20 MUST BE MAILED AT APPROXIMATELY THE SAME TIME AS PROPERTY TAX NOTICES REQUIRED BY
 21 15-16-101 ARE MAILED. THE CLAIM FORM MUST INCLUDE ALL INFORMATION NECESSARY FOR THE
 22 OWNER OF THE RESIDENCE TO CLAIM THE HOMEOWNER'S TAX PAYMENT. THE CLAIM FORM MAY
 23 REQUIRE INFORMATION NECESSARY FOR THE DEPARTMENT TO VERIFY THE CLAIM.

24
 25 NEW SECTION. SECTION 5. HOMEOWNER'S TAX PAYMENT -- AMOUNT. (1) EACH CLAIMANT
 26 MEETING THE REQUIREMENTS OF [SECTIONS 1 THROUGH 7] SHALL RECEIVE A HOMEOWNER'S TAX
 27 PAYMENT FROM THE DEPARTMENT IF THE AMOUNT OF THE PAYMENT EXCEEDS \$25.

28 (2) THE AMOUNT OF THE PAYMENT IS DETERMINED BY MULTIPLYING:

29 (A) THE AMOUNT OF MARKET VALUE OF THE RESIDENCE IDENTIFIED IN [SECTION 2(1)(B)],
 30 INCLUDING LAND AND IMPROVEMENTS, FOR THE 1993 TAX YEAR THAT EXCEEDS 115% OF THE

1 MARKET VALUE FOR THE 1992 TAX YEAR; TIMES

2 (B) THE TAX RATE THAT APPLIED TO THE RESIDENCE IN TAX YEAR 1993; TIMES

3 (C) THE MILL LEVY THAT APPLIED TO THE RESIDENCE IN TAX YEAR 1993.

4 (3) A PAYMENT MAY NOT EXCEED \$1,000.

5
6 NEW SECTION. SECTION 6. HOMEOWNER'S TAX PAYMENT -- LIMITATIONS. (1) ONLY ONE
7 CLAIMANT PER HOUSEHOLD IS ENTITLED TO A PAYMENT IN A CLAIM PERIOD.

8 (2) A CLAIM IS NOT ALLOWED FOR AN OWNER-OCCUPIED RESIDENCE THAT IS NOT SUBJECT
9 TO PROPERTY TAXES IN MONTANA DURING THE CLAIM PERIOD.

10
11 NEW SECTION. SECTION 7. HOMEOWNER'S TAX PAYMENT -- FRAUDULENT CLAIM -- PENALTY
12 -- INTEREST. IF THE CLAIMANT DOES NOT TIMELY PAY THE PROPERTY TAXES FOR THE CLAIM
13 PERIOD, OR IF A FALSE OR FRAUDULENT CLAIM HAS BEEN PAID, OR IF A TAX APPEAL RENDERS THE
14 CLAIMANT INELIGIBLE THE CLAIMANT SHALL RETURN ANY PAYMENT. THE AMOUNT PAID MAY BE
15 RECOVERED AS ANY OTHER DEBT OWED THE STATE. AN ADDITIONAL 10% MAY BE ADDED TO THE
16 AMOUNT DUE AS A PENALTY. THE UNPAID DEBT, EXCLUDING PENALTY, BEARS INTEREST, AT THE
17 RATE OF 3/4% A MONTH OR FRACTION OF A MONTH, FROM THE DATE OF THE ORIGINAL PAYMENT
18 OF THE CLAIM UNTIL PAID.

19
20 ~~Section 1. Section 15-16-101, MCA, is amended to read:~~

21 ~~"15-16-101. Treasurer to publish notice manner of publication. (1) Within 10 days after the~~
22 ~~receipt of the property tax record, the county treasurer shall publish a notice specifying:~~

23 ~~(a) that one half the first installment of all taxes levied and assessed will be due and payable before~~
24 ~~5 p.m. on the next November 30 or within 30 days after the notice is postmarked and that, unless paid~~
25 ~~prior to that time, the amount then due will be delinquent and will draw interest at the rate of 5/6 of 1%~~
26 ~~per month from the time of delinquency until paid and 2% will be added to the delinquent taxes as a~~
27 ~~penalty;~~

28 ~~(b) that one half the second installment of all taxes levied and assessed will be due and payable~~
29 ~~on or before 5 p.m. on the next May 31 and that, unless paid prior to that time, the taxes will be delinquent~~
30 ~~and will draw interest at the rate of 5/6 of 1% per month from the time of delinquency until paid and 2%~~

1 ~~will be added to the delinquent taxes as a penalty; and~~

2 ~~(e) the time and place at which payment of taxes may be made.~~

3 ~~(2) The county treasurer shall send to the last known address of each taxpayer a written notice,~~
4 ~~postage prepaid, showing the amount of taxes and assessments due for the current year and the amount~~
5 ~~due and delinquent for other years. The written notice must include:~~

6 ~~(a) the taxable value of the property;~~

7 ~~(b) the total mill levy applied to that taxable value;~~

8 ~~(c) the value of each mill in that county;~~

9 ~~(d) itemized city services and special improvement district assessments collected by the county,~~
10 ~~with appropriate subtotals;~~

11 ~~(e) the number of the school district in which the property is located; and~~

12 ~~(f) the amount of the total tax due that is levied as city tax, county tax, state tax, school district~~
13 ~~tax, and other tax.~~

14 ~~(3) The municipality shall, upon request of the county treasurer, provide the information to be~~
15 ~~included under subsection (2)(d) in a form ready for mailing.~~

16 ~~(4) The notice in every each case must be published once a week for 2 weeks in a weekly or daily~~
17 ~~newspaper published in the county, if there is one a newspaper, or, if there is not, then by posting it the~~
18 ~~notice in three public places. Failure to publish or post notices does not relieve the taxpayer from any tax~~
19 ~~liability. Any failure to give notice of the tax due for the current year or of delinquent tax will not affect~~
20 ~~the legality of the tax."~~

21
22 **Section 2.** ~~Section 15-16-102, MCA, is amended to read:~~

23 ~~"15-16-102. Time for payment — penalty for delinquency. Except as provided in 15-16-802 and~~
24 ~~15-16-803 and unless suspended or canceled under the provisions of Title 15, chapter 24, part 17, all taxes~~
25 ~~levied and assessed in the state of Montana, except assessments made for special improvements in cities~~
26 ~~and towns payable under 15-16-103 and assessments made on interim production and new production as~~
27 ~~provided in Title 15, chapter 23, part 6, and payable under 15-16-121, shall be are payable as follows:~~

28 ~~(1) (a) One half. The first installment of the taxes are is payable on or before 5 p.m. on November~~
29 ~~30 of each year or within 30 days after the tax notice is postmarked, whichever is later, and one half the~~
30 ~~second installment is payable on or before 5 p.m. on May 31 of each year.~~

1 ~~(b) If the property is residential property, the first installment of taxes is an amount equal to~~
 2 ~~one half of the taxes due on the property the prior tax year and the second installment is the balance of~~
 3 ~~the taxes due. If the property is not residential property or if it is residential property but its description~~
 4 ~~or character has changed because of subdivision, consolidation, construction, or similar factors, the first~~
 5 ~~installment of taxes is one half of the taxes due.~~

6 ~~(2) Unless one half the first installment of the taxes are is paid on or before 5 p.m. on November~~
 7 ~~30 of each year or within 30 days after the tax notice is postmarked, whichever is later, then the amount~~
 8 ~~so payable shall become is delinquent and shall draw draws interest at the rate of 5/6 of 1% per month~~
 9 ~~from and after the delinquency until paid and 2% shall must be added to the delinquent taxes as a penalty.~~

10 ~~(3) All taxes due and not paid on or before 5 p.m. on May 31 of each year shall be are delinquent~~
 11 ~~and shall draw interest at the rate of 5/6 of 1% per month from and after the delinquency until paid, and~~
 12 ~~2% shall must be added to the delinquent taxes as a penalty.~~

13 ~~(4) If the date on which taxes are due falls on a holiday or Saturday, taxes may be paid without~~
 14 ~~penalty or interest on or before 5 p.m. of the next business day in accordance with 1-1-307.~~

15 ~~(5) A taxpayer may pay his current year taxes without paying delinquent taxes. The county~~
 16 ~~treasurer must accept a partial payment equal to the delinquent taxes, including penalty and interest, for~~
 17 ~~one or more full taxable tax years, provided both halves of the current tax year have been paid. Payment~~
 18 ~~of delinquent taxes must be applied to the taxes that have been delinquent the longest. The payment of~~
 19 ~~the current tax year is not a redemption of the property tax lien for any delinquent tax year.~~

20 ~~(6) The penalty and interest on delinquent assessment payments for specific parcels of land may~~
 21 ~~be waived by resolution of the city council. A copy of the resolution must be certified to the county~~
 22 ~~treasurer."~~

23
 24 **Section 8. Section 15-6-134, MCA, is amended to read:**

25 **"15-6-134. Class four property -- description -- taxable percentage. (1) Class four property**
 26 **includes:**

27 (a) all land, except that specifically included in another class;

28 (b) all improvements, including trailers or mobile homes used as a residence, except those
 29 specifically included in another class;

30 (c) the first ~~\$80,000~~ \$100,000 or less of the market value of any improvement on real property,

1 including trailers or mobile homes, and appurtenant land not exceeding 5 acres owned or under contract
 2 for deed and actually occupied for at least ~~40~~ 7 months a year as the primary residential dwelling of any
 3 person whose total income from all sources, including net business income and otherwise tax-exempt
 4 income of all types but not including social security income paid directly to a nursing home, is not more
 5 than ~~\$10,000~~ \$15,000 for a single person or ~~\$12,000~~ \$20,000 for a married couple or a head of
 6 household, as adjusted according to subsection (2)(b)(ii). For the purposes of this subsection (c), net
 7 business income is gross income less ordinary operating expenses but before deducting depreciation or
 8 depletion allowance, or both.

9 (d) all golf courses, including land and improvements actually and necessarily used for that
 10 purpose, that consist of at least ~~9~~ nine holes and not less than 3,000 lineal yards; and

11 (e) all improvements on land that is eligible for valuation, assessment, and taxation as agricultural
 12 land under 15-7-202(2), including 1 acre of real property beneath the agricultural improvements. The 1
 13 acre must be valued at market value.

14 (2) Class four property is taxed as follows:

15 (a) Except as provided in 15-24-1402 or 15-24-1501, property described in subsections (1)(a),
 16 (1)(b), and (1)(e) is taxed at 3.86% of its market value.

17 (b) (i) Property ~~described~~ QUALIFYING UNDER THE PROPERTY TAX ASSISTANCE PROGRAM in
 18 subsection (1)(c) is taxed at 3.86% of its market value multiplied by a percentage figure based on income
 19 and determined from the following table:

Income	Income	Percentage
Single Person	Married Couple	Multiplier
	Head of Household	
\$ 0 - \$ 1,000	\$ 0 - \$ 1,200	0% <u>20%</u>
\$ 0 - \$ 1,500	\$ 0 - \$ 2,000	
<u>\$ 6,000</u>	<u>\$ 8,000</u>	
1,001 - 2,000	1,201 - 2,400	40% <u>50%</u>
1,501 - 3,000	2,001 - 4,000	
<u>6,001 - 9,200</u>	<u>8,001 - 14,000</u>	
2,001 - 3,000	2,401 - 3,600	20% <u>70%</u>
3,001 - 4,500	4,001 - 6,000	

1	<u>9,201 - 15,000</u>	<u>14,001 - 20,000</u>	
2	3,001 - 4,000	3,601 - 4,800	30%
3	4,501 - 6,000	6,001 - 8,000	
4	4,001 - 5,000	4,801 - 6,000	40%
5	6,001 - 7,500	8,001 - 10,000	
6	5,001 - 6,000	6,001 - 7,200	50%
7	7,501 - 9,000	10,001 - 12,000	
8	6,001 - 7,000	7,201 - 8,400	60%
9	9,001 - 10,500	12,001 - 14,000	
10	7,001 - 8,000	8,401 - 9,600	70%
11	10,501 - 12,000	14,001 - 16,000	
12	8,001 - 9,000	9,601 - 10,800	80%
13	12,001 - 13,500	16,001 - 18,000	
14	9,001 - 10,000	10,801 - 12,000	90%
15	13,501 - 15,000	18,001 - 20,000	

16 (ii) The income levels contained in the table in subsection (2)(b)(i) must be adjusted for inflation
17 annually by the department of revenue. The adjustment to the income levels is determined by:

18 (A) multiplying the appropriate dollar amount from the table in subsection (2)(b)(i) by the ratio of
19 the PCE for the second quarter of the year prior to the year of application to the PCE for the second quarter
20 of ~~1986~~ 1995; and

21 (B) rounding the product thus obtained to the nearest whole dollar amount.

22 (iii) "PCE" means the implicit price deflator for personal consumption expenditures as published
23 quarterly in the Survey of Current Business by the bureau of economic analysis of the U.S. department of
24 commerce.

25 (c) Property described in subsection (1)(d) is taxed at one-half the taxable percentage rate
26 established in subsection (2)(a).

27 (3) ~~After July 1, 1986, an adjustment may not be made by the department to the taxable~~
28 ~~percentage rate for class four property until a revaluation has been made as provided in 15-7-111.~~

29 (4) Within the meaning of comparable property, as defined in 15-1-101, property assessed as
30 commercial property is comparable only to other property assessed as commercial property, and property

1 assessed as other than commercial property is comparable only to other property assessed as other than
2 commercial property."

3

4 **Section 9.** Section 15-6-151, MCA, is amended to read:

5 **"15-6-151. Application for certain class four classifications.** (1) A person applying for
6 classification of property UNDER THE PROPERTY TAX ASSISTANCE PROGRAM described in subsection
7 ~~(1)(e)~~ of 15-6-134 (1)(c) shall make an affidavit to the department of revenue, on a form provided by the
8 department without cost, stating:

9 (a) ~~his~~ the person's income;

10 (b) the fact that ~~he~~ the person maintains the land and improvements as ~~his~~ the person's primary
11 residential dwelling, ~~where~~ when applicable; and

12 (c) ~~such~~ other information ~~as~~ that is relevant to the applicant's eligibility.

13 (2) This application must be made before ~~March 1 April~~ MARCH 15 of the year after the applicant
14 becomes eligible. The application remains in effect in subsequent years unless there is a change in the
15 applicant's eligibility. The taxpayer shall inform the department of any change in eligibility. The department
16 may inquire by mail whether any change in eligibility has taken place and may require a new statement of
17 eligibility at any time that it considers necessary.

18 (3) The affidavit is sufficient if the applicant signs a statement affirming the correctness of the
19 information supplied, whether or not the statement is signed before a person authorized to administer oaths,
20 and mails the application and statement to the department ~~of revenue~~. This signed statement ~~shall~~ must
21 be treated as a statement under oath or equivalent affirmation for the purposes of 45-7-202, relating to the
22 criminal offense of false swearing."

23

24 **SECTION 10. SECTION 15-7-102, MCA, IS AMENDED TO READ:**

25 **"15-7-102. Notice of classification and appraisal to owners -- appeals.** (1) (a) The department
26 shall mail to each owner or purchaser under contract for deed a notice of the classification of the land
27 owned or being purchased and the appraisal of the improvements on the land only if one or more of the
28 following changes pertaining to the land or improvements have been made since the last notice:

29 ~~(a)(i)~~ (i) change in ownership;

30 ~~(b)(ii)~~ (ii) change in classification;

1 ~~(e)~~(iii) change in valuation; or

2 ~~(d)~~(iv) addition or subtraction of personal property affixed to the land.

3 (b) The notice must include the following for the taxpayer's informational purposes:

4 (i) the total amount of mills levied against the property in the prior year;

5 (ii) the amount of the prior year's taxes resulting from levied mills;

6 (iii) an estimate of the current year's taxes based on the prior year's mills; and

7 (iv) a statement that the notice is not a tax bill.

8 (c) Any misinformation provided in the information required by subsection (1)(b) does not affect
9 the validity of the notice and may not be used as a basis for a challenge of the legality of the notice.

10 (2) (a) The department shall assign each assessment to the correct owner or purchaser under
11 contract for deed and mail the notice of classification and appraisal on a standardized form, adopted by the
12 department, containing sufficient information in a comprehensible manner designed to fully inform the
13 taxpayer as to the classification and appraisal of the property and of changes over the prior tax year.

14 (b) The notice must advise the taxpayer that in order to be eligible for a refund of taxes from an
15 appeal of the classification or appraisal, the taxpayer is required to pay the taxes under protest as provided
16 in 15-1-402.

17 (3) If the owner of any land and improvements is dissatisfied with the appraisal as it reflects the
18 market value of the property as determined by the department or with the classification of the land or
19 improvements, the owner may request an assessment review by submitting an objection in writing to the
20 department, on forms provided by the department for that purpose, within 15 days after receiving the
21 notice of classification and appraisal from the department. The review must be conducted informally and
22 is not subject to the contested case procedures of the Montana Administrative Procedure Act. As a part
23 of the review, the department may consider the actual selling price of the property, independent appraisals
24 of the property, and other relevant information presented by the taxpayer in support of the taxpayer's
25 opinion as to the market value of the property. The department shall give reasonable notice to the taxpayer
26 of the time and place of the review. After the review, the department shall determine the ~~true and~~ correct
27 appraisal and classification of the land or improvements and notify the taxpayer of its determination. In
28 the notification, the department shall state its reasons for revising the classification or appraisal. When the
29 proper appraisal and classification have been determined, the land must be classified and the improvements
30 appraised in the manner ordered by the department.

1 (4) Whether a review as provided in subsection (3) is held or not, the department may not adjust
2 an appraisal or classification upon the taxpayer's objection unless:

3 (a) the taxpayer has submitted an objection in writing; and

4 (b) the department has stated its reason in writing for making the adjustment.

5 (5) A taxpayer's written objection to a classification or appraisal and the department's notification
6 to the taxpayer of its determination and the reason for that determination are public records. The
7 department shall make the records available for inspection during regular office hours.

8 (6) If any property owner feels aggrieved by the classification or appraisal made by the department
9 after the review provided for in subsection (3), the property owner has the right to first appeal to the
10 county tax appeal board and then to the state tax appeal board, whose findings are final subject to the right
11 of review in the courts. The appeal to the county tax appeal board must be filed within 15 days after
12 notice of the department's determination is mailed to the taxpayer. A county tax appeal board or the state
13 tax appeal board may consider the actual selling price of the property, independent appraisals of the
14 property, and other relevant information presented by the taxpayer as evidence of the market value of the
15 property. If the county tax appeal board or the state tax appeal board determines that an adjustment
16 should be made, the department shall adjust the base value of the property in accordance with the board's
17 order."

18
19 ~~NEW SECTION. SECTION 4. PHASE IN OF REVALUATION OF LAND. (1) AN INCREASE IN THE~~
20 ~~APPRAISED VALUE OF CLASS FOUR PROPERTY RESULTING FROM A REVALUATION CYCLE UNDER~~
21 ~~15-7-111 MUST BE PHASED IN. EACH YEAR FOLLOWING A REVALUATION CYCLE, THE VALUE OF THE~~
22 ~~PROPERTY MUST BE INCREASED ANNUALLY BY ONE THIRD OF THE DIFFERENCE BETWEEN THE~~
23 ~~PHASED IN VALUE FROM THE PREVIOUS APPRAISED VALUE AND THE NEW APPRAISED VALUE.~~

24 ~~(2) IF THE APPRAISED VALUE OF PROPERTY DECREASES BECAUSE OF A REVALUATION CYCLE,~~
25 ~~THE DECREASED VALUE IS THE ASSESSED VALUE AND IS NOT PHASED IN.~~

26
27 **Section 11.** Section 15-30-176, MCA, is amended to read:

28 **"15-30-176. Residential property tax credit for elderly -- computation of relief.** The amount of the
29 tax credit granted under the provisions of 15-30-171 through 15-30-179 is computed as follows:

30 (1) In the case of a claimant who owns the homestead for which a claim is made, the credit is the

1 amount of property tax paid less the deduction specified in subsection (4).

2 (2) In the case of a claimant who rents the homestead for which a claim is made, the credit is the
3 amount of rent-equivalent tax paid less the deduction specified in subsection (4).

4 (3) In the case of a claimant who both owns and rents the homestead for which a claim is made,
5 the credit is:

6 (a) the amount of property tax paid on the owned portion of the homestead less the deduction
7 specified in subsection (4); plus

8 (b) the amount of rent-equivalent tax paid on the rented portion of the homestead less the
9 deduction specified in subsection (4).

10 (4) Property tax paid and rent-equivalent tax paid are reduced according to the following schedule:

11 Household income	Amount of reduction
12 \$ 0-999	\$0
13 1,000-1,999	\$0
14 2,000-2,999	the product of .006 times the household income
15 3,000-3,999	the product of .016 times the household income
16 4,000-4,999	the product of .024 times the household income
17 5,000-5,999	the product of .028 times the household income
18 6,000-6,999	the product of .032 times the household income
19 7,000-7,999	the product of .035 times the household income
20 8,000-8,999	the product of .039 times the household income
21 9,000-9,999	the product of .042 times the household income
22 10,000-10,999	the product of .045 times the household income
23 11,000-11,999	the product of .048 times the household income
24 12,000 & over	the product of .050 times the household income

25 (5) In no case may the credit granted exceed ~~\$400~~ \$1,000."

26

27 ~~NEW SECTION. SECTION 6. COORDINATION. IN ORDER TO MAINTAIN A BALANCED BUDGET,~~
28 ~~BECAUSE [THIS ACT] REDUCES [SECTIONS 8 THROUGH 11] REDUCE REVENUE, IT IS [SECTIONS 8~~
29 ~~THROUGH 11] ARE VOID UNLESS HOUSE BILL NO. 293 IS PASSED AND APPROVED CONTAINING AN~~
30 ~~ESTIMATED REVENUE INCREASE OF AT LEAST \$2,200,000.~~

