



Revenue and Transportation Interim Committee

61st Montana Legislature

SENATE MEMBERS

KIM GILLAN--Chair
RON ERICKSON
JEFF ESSMANN
CHRISTINE KAUFMANN
JIM PETERSON
BRUCE TUTVEDT

HOUSE MEMBERS

ROY HOLLANDSWORTH--Vice Chair
DICK BARRETT
CYDNIE (CARLIE) BOLAND
BRIAN HOVEN
MIKE JOPEK
BILL NOONEY

COMMITTEE STAFF

JEFF MARTIN, Research Analyst
LEE HEIMAN, Staff Attorney
FONG HOM, Secretary

February 18, 2010

TO: Residential and Commercial Property Reappraisal Subcommittee

FROM: Lee Heiman, Staff Attorney

SUBJECT: Alternatives for Deferral of Property Taxes

In surveying other states and reviewing bills written in previous sessions, I would categorize property tax deferral into three basic types: homestead payment deferral, reverse annuity mortgages, and installment payment plans. Montana enacted a reverse annuity mortgage law in 1989.

1. Homestead payment deferral.

- Residential property owned by individuals.
- Payments entirely or partially suspended with lien for unpaid amount.
- Income and age restrictions, and annual residency requirements.
- Payment at transfer of property, delay upon transfer to heirs.
- Limitation of amount based upon percent of value and equity.
- Insurance requirements with tax lien recognized.
- Continuation of deferral for spouse.
- Revolving fund.

2. Reverse annuity mortgages.

- Montana Title 90, ch. 6, part 5, MCA, 1989.
- Administered by Board of Housing.
- Lower income seniors (age 68 or older) are eligible.
- Monthly payments over 10 years up to \$150,000, not to exceed 80% of value.
- Counseling required.
- Repayment on transfer of property and similar occurrences.

3. Installment payments.

- Monthly payments rather than semiannual payments.
- Interest for use or discount for non-use.

cl0425 0048lhxa.