

1 base penalty amount calculated under subsection (3)(b) plus interest at the rate provided in 15-16-102
2 calculated from the original due date of the taxes, until paid.

3 (b) The base penalty amount is equal to the property tax due for each year the homestead
4 reduced tax rate or the rental property reduced tax rate was improperly received, determined using the tax rate
5 provided for in 15-6-134(3)(a), the appraised value, and the mill levies in effect for the year, less the actual
6 property taxes paid in the year plus any property tax assistance received pursuant to 15-6-701.

7 (c) The revised assessment and penalty must be assessed against a person who filed a false or
8 fraudulent application even if the person no longer owns the property.

9 (4) If the person who filed a false or fraudulent application no longer owns the property associated
10 with the false or fraudulent application, the penalty plus interest provided for in subsection (3) may be recovered
11 as any other tax owed the state. If the penalty plus interest becomes due and owing, the department may issue
12 a warrant for distraint as provided in Title 15, chapter 1, part 7.

13 (5) Except as provided in subsection (4), if the department determines that a false or fraudulent
14 application was made, the department shall send the revised assessment with the additional penalty amount as
15 determined under subsection (3) to the county treasurer in the county where the property is located.

16 (6) ~~(a) The~~ Except as provided in subsection (6)(b), the county treasurer shall distribute property
17 taxes, penalty, and interest collected under this section proportionally to the affected taxing jurisdictions.

18 (b) Penalty and interest from property tax assistance received pursuant to 15-6-701 must be
19 distributed to the department for deposit in the state property tax assistance account provided for in 15-6-702.

20 (7) A revised assessment made under this section must be made within 10 years after the end of
21 the calendar year in which the original application was made."

22

23 **Section 2.** Section 15-6-701, MCA, is amended to read:

24 **"15-6-701. Property tax assistance for primary principal residences.** (1) A county shall provide
25 property tax assistance to owners of primary-principal residences certified by the department of revenue
26 pursuant to 15-6-703. The assistance is provided with funding from the state property tax assistance account
27 distributed to the county as provided in 15-6-702.

28 (2) (a) Except as provided in subsection (2)(b), the county treasurer shall provide the property tax

1 assistance distributed pursuant to 15-6-702 to each primary-principal residence by listing the property tax
2 assistance amount as a credit on the property tax bill as provided in 15-16-101(2)(a)(v).

3 (b) If the property tax assistance calculated pursuant to 15-6-702(2). exceeds the property tax
4 billed for an individual property, the county may retain the revenue that exceeds the property tax billed.

5 (3) The owner of a primary-principal residence that receives property tax assistance under this
6 section is not prohibited from receiving property tax assistance under another property tax assistance program.

7 (4) State property tax assistance provided to counties pursuant to this section may not affect the
8 maximum mill calculation in 15-10-420."

9

10 **Section 3.** Section 15-6-702, MCA, is amended to read:

11 **"15-6-702. State property tax assistance account.** (1) There is a state property tax assistance
12 account in the state special revenue fund established in 17-2-102. The revenue allocated to the account as
13 provided in 17-1-402 must be deposited in the account and distributed as provided in this section.

14 (2) (a) At the end of each fiscal year, if the balance in the account exceeds \$50 million, the
15 department shall determine the amount of property tax assistance per primary-principal residence by
16 subtracting the amounts listed in subsection (2)(c) and dividing the remainder by the total number of primary
17 principal residences certified pursuant to 15-6-703.

18 (b) By August 31 of each year, the department shall distribute to each county the property tax
19 assistance per primary-principal residence multiplied by the number of primary-principal residences within the
20 county. The county shall deposit the money in the account in which property tax revenue is held and use the
21 distribution to provide property tax assistance pursuant to 15-6-701.

22 (c) The department may retain 2% of the revenue allocated to the account for administering the
23 certification of primary-principal residences under 15-6-703 and shall retain \$100,000 for appeals granted under
24 ~~15-6-705~~ 15-6-418.

25 (3) The department shall provide each county with a list of property in the county that the
26 department certifies pursuant to 15-6-703 qualifies as a primary-principal residence to enable the county
27 treasurer to administer the property tax assistance.

28 (4) A payment required pursuant to this section may be withheld if, for more than 90 days, a local

1 government fails to:

- 2 (a) file a financial report required by 15-1-504;
- 3 (b) remit any amounts collected on behalf of the state as required by 15-1-504; or
- 4 (c) remit any other amounts owed to the state or another taxing jurisdiction."

5

6 **Section 4.** Section 15-6-703, MCA, is amended to read:

7 **~~15-6-703. Certification of primary residence Eligibility for state property tax assistance --~~**

8 **~~rulemaking -- definition.~~** (1) ~~To receive state property tax assistance pursuant to 15-6-701, the owner of a~~
9 ~~primary residence shall apply to the department for certification of the primary residence.~~

10 (2) ~~— (a) To receive state property tax assistance for the tax year in which the application is first~~
11 ~~made, the owner shall apply electronically or by mail on a form prescribed by the department and postmarked~~
12 ~~by March 1. Approved applications received electronically or postmarked after March 1 apply to the following~~
13 ~~tax year.~~

14 (b) ~~— Once approved, the certification remains effective until:~~

15 (i) ~~— there is a change in ownership of the property;~~

16 (ii) ~~— the owner no longer uses the dwelling as a primary residence; or~~

17 (iii) ~~— the owner applies for state property tax assistance for a different primary residence.~~

18 (c) ~~— If certification is terminated pursuant to subsection (2)(b), the owner shall submit a new~~
19 ~~application to the department to reestablish the certification.~~

20 (d) ~~— An application for state property tax assistance must be submitted on a form prescribed by the~~
21 ~~department and must contain:~~

22 (i) ~~— a written declaration made under penalty of perjury that the applicant owns and maintains the~~
23 ~~land and improvements as the primary residence. The application must state the penalty provided for in 15-6-~~
24 ~~704.~~

25 (ii) ~~— the geocode or other property identifier for the primary residence for which the applicant is~~
26 ~~requesting the state property tax assistance;~~

27 (iii) ~~— the social security number of the applicant; and~~

28 (iv) ~~— any other information required by the department that is relevant to the applicant's eligibility.~~

1 ~~(3) — (a) Except as provided in subsection (3)(b), class four residential property owned by an entity is~~
2 ~~not eligible to receive the state property tax assistance.~~

3 ~~(b) — The trustee of a grantor revocable trust may apply for state property tax assistance for a~~
4 ~~primary residence on behalf of the trust if the dwelling meets the definition of a primary residence for the~~
5 ~~grantor.~~

6 ~~(1) To qualify for property tax assistance under 15-6-701:~~

7 ~~(a) a property must be a principal residence taxed at the homestead reduced tax rate pursuant to~~
8 ~~Title 15, chapter 6, part 4; and~~

9 ~~(b) have a market value of less than \$1 million.~~

10 ~~(2) The application, limitation, appeal, and penalty provisions that apply to the homestead reduced~~
11 ~~tax rate also apply to property tax assistance under this part.~~

12 ~~(4)(3) The department may adopt rules, prepare forms, and maintain records that are necessary to~~
13 ~~implement this section.~~

14 ~~(5) — (a) For the purposes of 15-6-704, 15-6-705, and this section, "primary residence" means a~~
15 ~~class four residential property:~~

16 ~~(i) — that is a single family dwelling unit, unit of a multiple unit dwelling, trailer, manufactured home,~~
17 ~~or mobile home;~~

18 ~~(ii) — in which an owner can demonstrate the owner owned and lived for at least 7 months of the~~
19 ~~year;~~

20 ~~(iii) — that is the owner's only primary residence;~~

21 ~~(iv) — for which the value of the residential dwelling is \$1 million or less; and~~

22 ~~(v) — for which the owner made payment of the assessed Montana property taxes.~~

23 ~~(b) — An owner who cannot meet the requirements of subsection (5)(a)(ii) because the owner's~~
24 ~~primary residence changed during the tax year to another primary residence may still qualify if the owner paid~~
25 ~~the Montana property taxes while residing in each primary residence for a total of at least 7 consecutive months~~
26 ~~of the tax year. The department shall establish rules for determining the property tax assistance when the~~
27 ~~primary residences are in different counties."~~

28

1 **Section 5.** Section 15-15-101, MCA, is amended to read:

2 **"15-15-101. County tax appeal board -- meetings and compensation.** (1) The board of county
3 commissioners of each county shall appoint a county tax appeal board, with a minimum of three members and
4 with the members to serve staggered terms of 3 years each. The members of each county tax appeal board
5 must be residents of the county in which they serve. A person may not be a member of a county tax appeal
6 board if the person was an employee of the department less than 36 months before the date of appointment.

7 (2) (a) The members receive compensation as provided in subsection (2)(b) and travel expenses,
8 as provided for in 2-18-501 through 2-18-503, only when the county tax appeal board meets to hear taxpayers'
9 appeals from property tax assessments or when they are attending meetings called by the Montana tax appeal
10 board. Travel expenses and compensation must be paid from the appropriation to the Montana tax appeal
11 board.

12 (b) (i) The daily compensation for a member is as follows:

13 (A) \$60 for 4 hours of work or less; and

14 (B) \$120 for more than 4 hours of work.

15 (ii) For the purpose of calculating work hours in this subsection (2)(b), work includes hearing tax
16 appeals, deliberating with other board members, and attending meetings called by the Montana tax appeal
17 board.

18 (3) Office space and equipment for the county tax appeal boards must be furnished by the county.
19 All other incidental expenses must be paid from the appropriation of the Montana tax appeal board.

20 (4) The county tax appeal board shall hold an organizational meeting each year on the date of its
21 first scheduled hearing, immediately before conducting the business for which the hearing was otherwise
22 scheduled. At the organizational meeting, the members shall choose one member as the presiding officer of the
23 board. The county tax appeal board shall continue in session from July 1 of the current tax year until December
24 31 of the current tax year to hear protests concerning assessments made by the department until the business
25 of hearing protests is disposed of and may meet after December 31 to hear an appeal at the discretion of the
26 county tax appeal board.

27 (5) In counties that have appointed more than three members to the county tax appeal board, only
28 three members shall hear each appeal. The presiding officer shall select the three members hearing each

1 appeal.

2 (6) In connection with an appeal, the county tax appeal board may change any assessment or fix
3 the assessment at some other level or ~~determine eligibility as a primary residence pursuant to 15-6-703 and~~
4 determine eligibility for the homestead reduced tax rate provided for in 15-6-405 or the rental property reduced
5 tax rate provided for in 15-6-411. Upon notification by the county tax appeal board, the county clerk and
6 recorder shall publish a notice to taxpayers, giving the time the county tax appeal board will be in session to
7 hear scheduled protests concerning assessments and the latest date the county tax appeal board may take
8 applications for the hearings. The notice must be published in a newspaper if any is printed in the county or, if
9 none, then in the manner that the county tax appeal board directs. The notice must be published by May 15 of
10 the current tax year.

11 (7) Challenges to a department rule governing the assessment of property or to an assessment
12 procedure apply only to the taxpayer bringing the challenge and may not apply to all similarly situated taxpayers
13 unless an action is brought in the district court as provided in 15-1-406."
14

15 **Section 6.** Section 15-15-102, MCA, is amended to read:

16 **"15-15-102. Application for reduction in valuation -- reduced tax rate—~~certification as primary~~**
17 **~~residence.~~** (1) The county tax appeal board may not reduce the valuation of property or review eligibility for the
18 homestead reduced tax rate provided for in 15-6-405 or the rental property reduced tax rate provided for in 15-
19 6-411, ~~or review eligibility as a primary residence under 15-6-703~~ unless either the taxpayer or the taxpayer's
20 agent makes and files a written application with the county tax appeal board.

21 (2) The application may be obtained at the local appraisal office or from the county tax appeal
22 board. The completed application must be submitted to the county clerk and recorder. The date of receipt is the
23 date stamped on the appeal form by the county clerk and recorder upon receipt of the form. The county tax
24 appeal board is responsible for obtaining the applications from the county clerk and recorder.

25 (3) One application may be submitted during each valuation cycle. The application must be
26 submitted within the time periods provided for in 15-6-418, ~~15-6-705,~~ or 15-7-102(3)(a).

27 (4) A taxpayer who receives an informal review by the department of revenue as provided in 15-6-
28 418, ~~15-6-705,~~ or 15-7-102(3)(a)(i) and (3)(a)(ii) may appeal the decision of the department of revenue to the

1 county tax appeal board as provided in ~~15-6-705(2) and~~ 15-7-102(6). The taxpayer may not file a subsequent
 2 application for the same property with the county tax appeal board during the same valuation cycle.

3 (5) If the department's determination after review is not made in time to allow the county tax appeal
 4 board to review the matter during the current tax year, the appeal must be reviewed during the next tax year,
 5 but the decision by the county tax appeal board is effective for the year in which the request for review was filed
 6 with the department. The application must state the post-office address of the applicant, specifically describe
 7 the property involved, and state the facts upon which it is claimed the reduction should be made ~~or the property~~
 8 ~~should be certified as a primary residence.~~"

9

10 **Section 7.** Section 15-15-103, MCA, is amended to read:

11 **"15-15-103. Examination of applicant -- failure to hear application.** (1) Before the county tax
 12 appeal board grants any application or makes any reduction applied for, it shall examine on oath the person or
 13 agent making the application with regard to the value of the property of the person or eligibility for the
 14 homestead reduced tax rate provided for in 15-6-405 or the rental property reduced tax rate provided for in 15-
 15 6-411 ~~or eligibility as a primary residence pursuant to 15-6-703.~~ A reduction may not be made ~~or a property~~
 16 ~~certified as a primary residence~~ unless the applicant makes an application, as provided in 15-15-102, and
 17 attends the county board hearing. An appeal of the county board's decision may not be made to the Montana
 18 tax appeal board unless the person or the person's agent has exhausted the remedies available through the
 19 county board. In order to exhaust the remedies, the person or the person's agent shall attend the county board
 20 hearing. On written request by the person or the person's agent and on the written concurrence of the
 21 department, the county board may waive the requirement that the person or the person's agent attend the
 22 hearing. The testimony of all witnesses at the hearing and the deliberation of the county tax appeal board in
 23 rendering a decision must be electronically recorded and preserved for 1 year. If the decision of the county
 24 board is appealed, the record of the proceedings, including the electronic recording of all testimony and the
 25 deliberation of the county tax appeal board, must be forwarded, together with all exhibits, to the Montana board.
 26 The date of the hearing, the proceedings before the county board, and the decision must be entered upon the
 27 minutes of the county board, and the county board shall notify the applicant of its decision by mail within 3 days.
 28 A copy of the minutes of the county board must be transmitted to the Montana board no later than 3 days after

1 the county board holds its final hearing of the year.

2 (2) (a) Except as provided in 15-15-201, if a county board refuses or fails to hear a taxpayer's
3 timely application for a reduction in valuation of property, ~~or~~ eligibility for a reduced tax rate, ~~or eligibility as a~~
4 ~~primary residence~~, the taxpayer's application is considered to be granted on the day following the county
5 board's final meeting for that year. The department shall enter the appraisal, classification, ~~or~~ tax rate, ~~or~~
6 ~~eligibility as a primary residence~~ sought in the application in the property tax record. An application is not
7 automatically granted for the following appeals:

8 (i) those listed in 15-2-302(1); and

9 (ii) if a taxpayer's appeal from the department's determination of classification or appraisal made
10 pursuant to 15-7-102 was not received in time, as provided for in 15-15-102, to be considered by the county
11 board during its current session.

12 (b) The county board shall provide written notification of each application that was automatically
13 granted pursuant to subsection (2)(a) to the department, the Montana board, and any affected municipal
14 corporation. The notice must include the name of the taxpayer and a description of the subject property.

15 (3) The county tax appeal board shall consider an independent appraisal provided by the taxpayer
16 if the appraisal meets standards set by the Montana board of real estate appraisers and the appraisal was
17 conducted within 6 months of the valuation date. If the county tax appeal board does not use the appraisal
18 provided by the taxpayer in conducting the appeal, the county board shall provide to the taxpayer the reason for
19 not using the appraisal."
20

21 **Section 8.** Section 15-16-101, MCA, is amended to read:

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

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

28 (b) that one-half of all taxes levied and assessed will be due and payable on or before 5 p.m. on

1 the next May 31 and that unless paid prior to that time the taxes will be delinquent and will draw interest at the
2 rate of 5/6 of 1% a month from the time of delinquency until paid and 2% will be added to the delinquent taxes
3 as a penalty; and

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

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

8 (i) the taxable value of the property;

9 (ii) the total mill levy applied to that taxable value;

10 (iii) itemized city services and special improvement district assessments collected by the county;

11 (iv) the number of the school district in which the property is located;

12 (v) the amount of the total tax due itemized by mill levy that is levied as city tax, county tax, state
13 tax, school district tax, and other tax and, for a ~~primary-principal~~ residence, the total amount of state property
14 tax assistance received under 15-6-701;

15 (vi) an indication of which mill levies are voted levies, including voted levies to impose a new mill
16 levy, to increase a mill levy that is required to be submitted to the electors, or to exceed the mill levy limit
17 provided for in 15-10-420;

18 (vii) except as provided in subsection (2)(c), an itemization of the taxes due for each mill levy and a
19 comparison to the amount due for each mill levy in the prior year; and

20 (viii) a notice of the availability of all the property tax assistance programs available to property
21 taxpayers, including the intangible land value assistance program provided for in 15-6-240, the property tax
22 assistance programs under Title 15, chapter 6, part 3, the homestead reduced tax rate provided for in 15-6-405,
23 the rental property reduced tax rate provided for in 15-6-411, the state property tax assistance provided for in
24 15-6-701, and the residential property tax credit for the elderly under 15-30-2337 through 15-30-2341.

25 (b) If a tax lien is attached to the property, the notice must also include, in a manner calculated to
26 draw attention, a statement that a tax lien is attached to the property, that failure to respond will result in loss of
27 property, and that the taxpayer may contact the county treasurer for complete information.

28 (c) The information required in subsection (2)(a)(vii) may be posted on the county treasurer's

1 website instead of being included on the written notice.

2 (3) The municipality shall, upon request of the county treasurer, provide the information to be
3 included under subsection (2)(a)(iii) ready for mailing.

4 (4) The notice in every case must be given as provided in 7-1-2121. Failure to publish or post
5 notices does not relieve the taxpayer from any tax liability. Any failure to give notice of the tax due for the
6 current year or of delinquent tax will not affect the legality of the tax.

7 (5) If the department revises an assessment that results in an additional tax of \$5 or less, an
8 additional tax is not owed and a new tax bill does not need to be prepared."

9

10 NEW SECTION. Section 9. Repealer. The following sections of the Montana Code Annotated are
11 repealed:

12 15-6-704. State property tax assistance -- penalty for false or fraudulent application.

13 15-6-705. Appeal of denial of certification of primary residence.

14

15 NEW SECTION. Section 10. Effective date. [This act] is effective on passage and approval.

16

17 NEW SECTION. Section 11. Retroactive applicability. [This act] applies retroactively, within the
18 meaning of 1-2-109, to property tax years beginning after December 31, 2026.

19

- END -