

1 \_\_\_\_\_ BILL NO. \_\_\_\_\_

2 INTRODUCED BY \_\_\_\_\_

3

4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE TEMPORARY EXEMPTION FOR CERTAIN  
5 TRIBAL PROPERTY TO APPLY TO PROPERTY OWNED BY A MEMBER OF AN INDIAN TRIBE;  
6 AMENDING SECTION 15-6-230, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN  
7 APPLICABILITY DATE."

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

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11 **Section 1.** Section 15-6-230, MCA, is amended to read:

12 **"15-6-230. Temporary exemption for certain tribal or tribal member property -- rulemaking.** (1)

13 Subject to subsections (2) and (3), property located within the boundaries of the state of Montana and owned in  
14 fee by a federally recognized Indian tribe ~~located within the boundaries of the state of Montana or a member of~~  
15 an Indian tribe is temporarily exempt from taxation on January 1 after the following conditions are met:

16 (a) the United States department of the interior, bureau of Indian affairs, has determined that the  
17 initial written request or trust application submitted by the tribe or tribal member is complete; and

18 (b) the tribe or tribal member has submitted a timely property tax exemption application to the  
19 department and the department has approved the ~~tribe's~~ exemption application.

20 (2) Prior to approving the exemption application, the department shall notify the county in which  
21 the property is located. On approval of an exemption pursuant to this section, the department shall provide the  
22 approved application to the county in which the property is located.

23 (3) The temporary exemption applies only for the timeframe during which a decision on the trust  
24 application is officially pending before the United States department of interior, bureau of Indian affairs, but the  
25 exemption may not exceed a period of 5 years and ceases earlier if the United States denies the trust  
26 application.

27 (4) For tax years following the department's approval of the exemption, the tribe or tribal member  
28 shall annually certify to the department that the trust application is still under consideration by the United States

1 department of interior, bureau of Indian affairs, and has not been denied. The exemption applies only for tax  
2 years for which the department has received a timely certification from the affected tribe or tribal member. The  
3 department shall provide the annual certification to the county in which the property is located.

4 (5) If a trust application has been denied, the temporary exemption expires on December 31 of the  
5 year in which the trust application was denied. The temporary exemption is no longer available for property  
6 associated with a trust application that has been denied.

7 (6) (a) Property for which a trust application is denied or for which the 5-year exemption period  
8 expires and the trust application remains pending before the United States department of the interior, bureau of  
9 Indian affairs, is subject to a recapture of property taxes. The recaptured tax is equal to the tax that would have  
10 been assessed using the tax rates, the mill levies, and the appraised value for each year in which the property  
11 was exempt under this section. The department shall provide the taxable value to the county treasurer for  
12 collection of taxes subject to recapture.

13 (b) The department shall continue to appraise property granted an exemption under this section  
14 until a trust application is approved by the United States department of the interior, bureau of Indian affairs. The  
15 appraised value is only for use for calculating the recapture provided for in this section and may not be included  
16 in the taxable value provided to taxing jurisdictions.

17 (7) If the United States takes ~~tribally owned~~ the property out of trust, the property is subject to tax  
18 as otherwise provided by federal and state law.

19 (8) The department may adopt rules to implement the provisions of this section."  
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21 NEW SECTION. Section 2. Notification to tribal governments. The secretary of state shall send a  
22 copy of [this act] to each federally recognized tribal government in Montana.  
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24 NEW SECTION. Section 3. Effective date. [This act] is effective on passage and approval.  
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26 NEW SECTION. Section 4. Applicability. [This act] applies to applications for exemption received  
27 on or after [the effective date of this act].  
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