

HOUSE BILL NO. 154

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A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A HOUSING FAIRNESS INCOME TAX CREDIT FOR
PROPERTY TAXES PAID AND RENT-EQUIVALENT PROPERTY TAXES PAID; PROVIDING THAT A
TAXPAYER MAY CLAIM EITHER THE HOUSING FAIRNESS PROPERTY TAX CREDIT OR THE
RESIDENTIAL PROPERTY TAX CREDIT FOR THE ELDERLY AND PARTICIPATE IN THE PROPERTY TAX
ASSISTANCE PROGRAM OR THE DISABLED VETERAN ASSISTANCE PROGRAM OR RECEIVE THE
INTANGIBLE LAND VALUE PROPERTY EXEMPTION; PROVIDING DEFINITIONS; AMENDING SECTIONS
15-6-240, 15-6-302, 15-7-102, 15-16-101, 15-17-125, 15-30-2303, AND 15-30-2341, MCA; AND PROVIDING A
DELAYED EFFECTIVE DATE AND AN APPLICABILITY DATE."

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

NEW SECTION. **Section 1. Housing fairness property tax credit -- definitions.** As used in
[sections 1 through 4], the following definitions apply:

(1) "Claim period" means the tax year for claimants required to file a Montana tax return or returns
under chapter 30 of this title and the calendar year for claimants not required to file returns.

(2) "Claimant" means a person who is eligible to file a claim for a credit under [sections 1 through
4].

(3) "Gross rent" means the total rent in cash or its equivalent actually paid during the claim period
by the renter or lessee for the right of occupancy of the qualified rental residence pursuant to an arm's-length
transaction with the landlord.

(4) (a) "Household" means an association of persons who live in the same dwelling, sharing its furnishings, facilities, accommodations, and expenses.

(b) The term does not include bona fide lessees, tenants, or roomers and boarders on contract.

(5) "Household income" means all income received by all persons of a household in a tax year while they are members of the household.

(6) (a) "Income" means, except as provided in subsection (6)(b), federal adjusted gross income, without regard to loss, as that quantity is defined in the Internal Revenue Code, plus all nontaxable income, including but not limited to:

(i) the amount of any pension or annuity, including Railroad Retirement Act benefits and veterans' disability benefits;

(ii) the amount of capital gains excluded from adjusted gross income;

(iii) alimony;

(iv) support money;

(v) nontaxable strike benefits;

(vi) cash public assistance and relief;

(vii) interest on federal, state, county, and municipal bonds; and

(viii) all payments received under federal social security, except social security income paid directly to a nursing home.

(b) For the purposes of this subsection (6), income is reduced by the taxpayer's basis.

(7) "Property tax billed" means taxes levied against the qualified residence, including special assessments and fees but excluding penalties or interest during the claim period.

(8) (a) (i) "Qualified rental residence" means any class four residential dwelling that is a single-family dwelling unit, unit of a multiple-unit dwelling, trailer, manufactured home, or mobile home that is rented from a third party, located in Montana, and subject to property taxes and as much of the surrounding land, not exceeding 1 acre, as is reasonably necessary for its use as a dwelling.

(ii) The term includes a single-family dwelling unit or unit of a multiple-unit dwelling that is rented from a county or municipal housing authority as provided in Title 7, chapter 15.

(b) Except for dwellings rented from a county or municipal housing authority, the term does not

include rented dwellings or rented lands that are not subject to Montana property taxes during the claim period.

(9) "Qualified residence" means any owner-occupied class four residential dwelling that is a single-family dwelling unit, unit of a multiple-unit dwelling, trailer, manufactured home, or mobile home located in Montana that is subject to property taxes and as much of the surrounding land, not exceeding 1 acre, as is reasonably necessary for its use as a dwelling.

(10) "Rent-equivalent property tax paid" means 15% of gross rent.

(11) "Tax year" means the property tax year preceding the current year in which a claim for a housing fairness property tax credit is made.

(12) "Threshold amount" means the amount determined based on household income as follows:

(a) on the first \$20,000 of household income, 1%;

(b) on \$20,001 to \$40,000 of household income, 2.5%;

(c) on \$40,001 to \$60,000 of household income, 3.5%;

(d) on \$60,001 to \$80,000 of household income, 5.5%;

(e) on \$80,001 to \$100,000 of household income, 7.5%; and

(f) on household income above \$100,000, 9.5%.

NEW SECTION. Section 2. Housing fairness property tax credit -- eligibility. (1) In order to make a claim for a credit under [sections 1 through 4], the individual must have:

(a) resided in Montana for at least 9 months of the tax year for which the claim is made;

(b) occupied one or more qualified residences as an owner or one or more qualified rental residences as a renter or lessee for at least ~~6~~ 7 months of the tax year; and

(c) a household income of less than \$150,000.

(2) A person is not disqualified from claiming the credit under [sections 1 through 4] because of a change of residence during the claim period if the person occupies a qualified residence as an owner or a qualified rental residence as a renter or lessee in Montana for at least 7 months during the claim period.

(3) A taxpayer may not claim the credit provided for in [sections 1 through 4] and the residential property tax credit for the elderly provided for in 15-30-2337 through 15-30-2341.

(4) Except as provided in [section 3(4)], only one claim for a housing fairness property tax credit or

1 a residential property tax credit for the elderly provided for in 15-30-2337 through 15-30-2341 may be made
2 with respect to any qualified residence.

3 (5) A claim for the credit may not be allowed for any portion of property tax billed or rent-equivalent
4 property tax paid that is derived from a public tax subsidy program or a public rent subsidy program.

5 (6) A claim is disallowed if the department finds that the claimant received title to the claimant's
6 qualified residence primarily for the purpose of receiving benefits under [sections 1 through 4].

7 (7) When the landlord and tenant have not dealt at arm's length and the department judges the
8 gross rent charged to be excessive, the department may adjust the amount considered gross rent to a
9 reasonable amount.

10
11 **NEW SECTION. Section 3. Housing fairness property tax credit -- credit amount.** (1) There is a
12 credit against the taxes imposed by this chapter for a portion of property tax billed or rent-equivalent property
13 tax paid by a claimant in the tax year as provided in this section.

14 (2) The amount of the credit allowed under this section is equal to the property tax billed or rent-
15 equivalent property tax paid in the tax year times 0.75 minus the threshold amount.

16 (3) If the amount determined is equal to or less than zero, there is no credit.

17 (4) If two or more individuals share a qualified rental residence, each individual may claim the
18 credit based on the proportional share that the individual pays of the gross rent.

19 (5) If the amount of the credit exceeds the claimant's liability under this chapter, the amount of the
20 excess must be refunded to the claimant. The credit may be claimed even though the claimant has no taxable
21 income under this chapter.

22
23 **NEW SECTION. Section 4. Housing fairness property tax credit -- filing date -- denial of claim.**

24 (1) Except as provided in subsection (3), a claim for the credit must be submitted at the same time the
25 claimant's tax return is due under chapter 30 of this title. For an individual not required to file a tax return, the
26 claim must be submitted on or before April 15 of the year following the year for which the credit is sought.

27 (2) A receipt showing property taxes billed or gross rent paid must be filed with each claim. Each
28 claimant shall, at the request of the department, supply all additional information necessary to support a claim.

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

(4) If an individual who would have a claim under [sections 1 through 4] dies before filing the claim, the personal representative of the estate of the decedent may file the claim.

(5) The department or an individual may revise a return and make a claim under [sections 1 through 4] within 3 years from the last day prescribed for filing a claim for relief.

(6) A person filing a false or fraudulent claim under the provisions of [sections 1 through 4] must be charged with the offense of unsworn falsification to authorities pursuant to 45-7-203. If a false or fraudulent claim has been paid, the amount paid, penalties, and interest may be recovered as provided in 15-1-216.

Section 5. Section 15-6-240, MCA, is amended to read:

"15-6-240. Intangible land value property exemption -- application procedure. (1) There is an intangible land value assistance program that provides graduated levels of property tax exemptions to assist owners of primary residences with land values that are disproportionate to the value of a primary residence and improvements. To be eligible for the exemption, applicants must meet the requirements of this section.

(2) If the total appraised value of the land is equal to or less than 150% of the appraised value of the primary residence and improvements situated on the land, then the land exemption provided in this section does not apply.

(3) Subject to subsection ~~(6)~~ (7), if the total appraised value of the land is greater than 150% of the appraised value of the primary residence and improvements situated on the land, then the land is valued at 150% of the appraised value of the primary residence and improvements situated on the land, subject to the minimum equalization of value requirement in subsection (4), and the remainder of the land value is exempt from taxation.

(4) If the calculation in subsection (3) creates a land value that is less than the statewide average value of land, then the value of the land may not be reduced in an amount that is less than the statewide average value of land multiplied by the acreage of land for the subject property.

(5) This section does not provide an exemption for the primary residence and improvements situated on the land.

(6) Property eligible for the exemption provided for in this section is not eligible for the property tax assistance programs provided for in Title 15, chapter 6, part 3.

~~(6)~~(7) (a) A claim for assistance must be filed on a form provided by the department within 30 days from the date on the classification and appraisal notice, as provided for in 15-7-102, for the exemption to be considered for both years of the 2-year valuation cycle provided for in 15-7-111. An application made more than 30 days from the date of the classification and appraisal notice will be applicable only for the second year of the 2-year valuation cycle. After an exemption is approved, the applicant remains eligible for the exemption for the remainder of the 2-year valuation cycle as long as the property is continually used as a primary residence by the applicant. An applicant who does not apply for assistance during the first year of the valuation cycle may apply no later than March 1 of the second year of the cycle.

(b) The application form must contain:

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

(ii) an affirmation that the land has been owned by the applicant or a family member of the applicant within the third degree of consanguinity for at least 30 consecutive years; and

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

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

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

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

~~(7)~~(8) As used in this section the following definitions apply:

(a) "Land" means:

(i) parcels of land or lots of not more than 5 acres under single ownership that support the primary residential improvements. The term does not include parcels of land or lots that do not support the primary residential improvements, regardless of whether those parcels or lots are contiguous with or adjacent to the primary residential property.

(ii) subject to the limitations in subsection ~~(7)(a)(i)~~ (8)(a)(i), separately assessed land on which a

1 mobile or manufactured home is located, but only if the mobile or manufactured home and the land are both
2 owned by the applicant.

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

4 (i) in which an applicant can demonstrate the applicant lived for at least 7 months of the year for
5 which benefits are claimed;

6 (ii) that is the only residence for which the land exemption claimed in this section is claimed by the
7 applicant; and

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

9 (c) "Single-family dwelling" means a residential dwelling, manufactured home, trailer, or mobile
10 home. The term does not include a condominium unit or a unit of a multiple-unit dwelling.

11 (d) "Statewide average value of land" is a value calculated by the department that is equal to the
12 statewide average market value of 1 acre of class four real property described in 15-6-134(1)(a) through (1)(d)."

13

14 **Section 6.** Section 15-6-302, MCA, is amended to read:

15 **"15-6-302. Property tax assistance -- rulemaking.** (1) The requirements of this section must be met
16 for a taxpayer to qualify for property tax assistance under 15-6-305 or 15-6-311.

17 (2) For the property tax assistance programs provided for in 15-6-305 and 15-6-311, the residential
18 real property must be owned by the applicant or under contract for deed and be the primary residence as
19 defined in 15-6-301. The department shall make rules specifying the indicators used for determining whether a
20 residence is a primary residence for purposes of property tax assistance programs.

21 (3) An applicant's qualifying income, as defined in 15-6-301, may not exceed the threshold
22 established in 15-6-305 or 15-6-311 or in rules established pursuant to those sections.

23 (4) (a) A claim for assistance must be submitted on a form prescribed by the department.

24 (b) The form must contain:

25 (i) the qualifying income of the applicant and the applicant's spouse;

26 (ii) an affirmation that the applicant owns and maintains the land and improvements as the primary
27 residence as defined in 15-6-301;

28 (iii) the social security number of the applicant and of the applicant's spouse; and

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

(5) (a) An application must be filed by April 15 of the year for which assistance is first claimed.

(b) Once assistance is approved, the applicant remains eligible for property tax assistance in subsequent years through the annual verification process defined in 15-6-301 without the need to reapply.

(c) A taxpayer shall inform the department of any change in eligibility occurring from one year to the next.

(6) The department may verify an applicant's and an applicant's spouse's social security number and benefits with the social security administration and the U.S. department of veterans affairs.

(7) The department ~~must annually~~ shall verify annually an applicant's eligibility, including the applicant's and spouse's income, and approve, renew, or deny benefits for the current year based ~~upon~~ on the findings.

(8) (a) When providing information for property tax assistance under 15-6-305 or 15-6-311, applicants are subject to the false swearing penalties established in 45-7-202.

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

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

(9) The department may address unusual circumstances of ownership and income that arise in administering taxpayer assistance programs provided for in 15-6-305 and 15-6-311. For the disabled veteran program provided for in 15-6-311, "unusual circumstances" includes:

(a) living expenses and income above normal and typical annual income used for funeral expenses or medical expenses, including medical expenses related to rehabilitation expenses, nontypical medical expenses, or major medical expenses of an immediate family member;

(b) unusual expenditures for necessary home and living expenses, such as major home repairs, vehicle replacement, and education or career training; and

(c) any other unusual factual circumstances regarding ownership and income.

(10) A temporary stay in a nursing home or similar facility does not change a taxpayer's primary residence for the purposes of taxpayer assistance programs provided for in 15-6-305 and 15-6-311.

(11) The department shall award property assistance under the property tax assistance program

1 that provides the greatest benefit to the taxpayer by reviewing applications and eligibility requirements; and
2 notify the applicant of the department's decision. Assistance may not be granted for property receiving the
3 intangible land value property exemption provided for in 15-6-240."
4

5 **Section 7.** Section 15-7-102, MCA, is amended to read:

6 **"15-7-102. Notice of classification, market value, and taxable value to owners -- appeals.** (1) (a)

7 Except as provided in 15-7-138, the department shall mail or provide electronically to each owner or purchaser
8 under contract for deed a notice that includes the land classification, market value, and taxable value of the
9 land and improvements owned or being purchased. A notice must be mailed or, with property owner consent,
10 provided electronically to the owner only if one or more of the following changes pertaining to the land or
11 improvements have been made since the last notice:

- 12 (i) change in ownership;
- 13 (ii) change in classification;
- 14 (iii) change in valuation; or
- 15 (iv) addition or subtraction of personal property affixed to the land.

16 (b) The notice must include the following for the taxpayer's informational and informal classification
17 and appraisal review purposes:

18 (i) a notice of the availability of all the property tax assistance programs available to property
19 taxpayers, including the intangible land value assistance program provided for in 15-6-240, the property tax
20 assistance programs provided for in Title 15, chapter 6, part 3, ~~and~~ the residential property tax credit for the
21 elderly provided for in 15-30-2337 through 15-30-2341, and the housing fairness property tax credit provided for
22 in [sections 1 through 4];

- 23 (ii) the total amount of mills levied against the property in the prior year;
- 24 (iii) the market value for the prior reappraisal cycle;
- 25 (iv) if the market value has increased by more than 10%, an explanation for the increase in
26 valuation;
- 27 (v) a statement that the notice is not a tax bill; and
- 28 (vi) a taxpayer option to request an informal classification and appraisal review by checking a box

1 on the notice and returning it to the department.

2 (c) When the department uses an appraisal method that values land and improvements as a unit,
3 including the sales comparison approach for residential condominiums or the income approach for commercial
4 property, the notice must contain a combined appraised value of land and improvements.

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

7 (2) (a) Except as provided in subsection (2)(c), the department shall assign each classification and
8 appraisal to the correct owner or purchaser under contract for deed and mail or provide electronically the notice
9 in written or electronic form, adopted by the department, containing sufficient information in a comprehensible
10 manner designed to fully inform the taxpayer as to the classification and appraisal of the property and of
11 changes over the prior tax year.

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

15 (c) The department is not required to mail or provide electronically the notice to a new owner or
16 purchaser under contract for deed unless the department has received the realty transfer certificate from the
17 clerk and recorder as provided in 15-7-304 and has processed the certificate before the notices required by
18 subsection (2)(a) are mailed or provided electronically. The department shall notify the county tax appeal board
19 of the date of the mailing or the date when the taxpayer is informed the information is available electronically.

20 (3) (a) If the owner of any land and improvements is dissatisfied with the appraisal as it reflects the
21 market value of the property as determined by the department or with the classification of the land or
22 improvements, the owner may request an informal classification and appraisal review by submitting an
23 objection on written or electronic forms provided by the department for that purpose or by checking a box on the
24 notice and returning it to the department in a manner prescribed by the department.

25 (i) For property other than class three property described in 15-6-133, class four property
26 described in 15-6-134, class ten property described in 15-6-143, and centrally assessed property described in
27 15-23-101, the objection must be submitted within 30 days from the date on the notice.

28 (ii) For class three property described in 15-6-133, class four property described in 15-6-134, and

1 class ten property described in 15-6-143, the objection may be made only once each valuation cycle. An
2 objection must be made in writing or by checking a box on the notice within 30 days from the date on the
3 classification and appraisal notice for a reduction in the appraised value to be considered for both years of the
4 2-year valuation cycle. An objection made more than 30 days from the date of the classification and appraisal
5 notice will be applicable only for the second year of the 2-year valuation cycle. For an objection to apply to the
6 second year of the valuation cycle, the taxpayer shall make the objection in writing or by checking a box on the
7 notice no later than June 1 of the second year of the valuation cycle or, if a classification and appraisal notice is
8 received in the second year of the valuation cycle, within 30 days from the date on the notice.

9 (iii) For centrally assessed property described in 15-23-101(2)(a), the objection must be submitted
10 within 20 days from the date on the notice. A taxpayer may submit an objection up to 10 days after this deadline
11 on request to the department.

12 (iv) (A) For centrally assessed property described in 15-23-101(2)(b) and (2)(c), an objection to the
13 valuation or classification may be made only once each valuation cycle. An objection must be made in writing
14 within the time period specified in subsection (3)(a)(iii) for a reduction in the appraised value to be considered
15 for both years of the 2-year valuation cycle. An objection made after the deadline specified in subsection
16 (3)(a)(iii) will be applicable only for the second year of the 2-year valuation cycle. For an objection to apply to
17 the second year of the valuation cycle, the taxpayer shall make the objection in writing no later than June 1 of
18 the second year of the valuation cycle or, if a classification and appraisal notice is received in the second year
19 of the valuation cycle, within the time period specified in subsection (3)(a)(iii).

20 (B) If a property owner has exhausted the right to object to a valuation, as provided for in
21 subsection (3)(a)(iv)(A), the property owner may ask the department to consider extenuating circumstances to
22 adjust the value of property described in 15-23-101(2)(b) or (2)(c). Occurrences that may result in an
23 adjustment to the value include but are not limited to extraordinary, unusual, or infrequent events that are
24 material in nature and of a character different from the typical or customary business operations, that are not
25 expected to recur frequently, and that are not normally considered in the evaluation of the operating results of a
26 business, including bankruptcies, acquisitions, sales of assets, or mergers.

27 (b) If the objection relates to residential or commercial property and the objector agrees to the
28 confidentiality requirements, the department shall provide to the objector, by posted mail or electronically, within

1 8 weeks of submission of the objection, the following information:

2 (i) the methodology and sources of data used by the department in the valuation of the property;
3 and

4 (ii) if the department uses a blend of evaluations developed from various sources, the reasons that
5 the methodology was used.

6 (c) At the request of the objector or a representative of the objector, and only if the objector or
7 representative signs a written or electronic confidentiality agreement, the department shall provide in written or
8 electronic form:

9 (i) comparable sales data used by the department to value the property;

10 (ii) sales data used by the department to value residential property in the property taxpayer's
11 market model area; and

12 (iii) if the cost approach was used by the department to value residential property, the
13 documentation required in 15-8-111(3) regarding why the comparable sales approach was not reliable.

14 (d) For properties valued using the income approach as one approximation of market value, notice
15 must be provided that the taxpayer will be given a form to acknowledge confidentiality requirements for the
16 receipt of all aggregate model output that the department used in the valuation model for the property.

17 (e) The review must be conducted informally and is not subject to the contested case procedures
18 of the Montana Administrative Procedure Act. As a part of the review, the department may consider the actual
19 selling price of the property and other relevant information presented by the taxpayer in support of the
20 taxpayer's opinion as to the market value of the property. The department shall consider an independent
21 appraisal provided by the taxpayer if the appraisal meets standards set by the Montana board of real estate
22 appraisers and the appraisal was completed within 6 months of the valuation date pursuant to 15-8-201. If the
23 department does not use the appraisal provided by the taxpayer in conducting the appeal, the department shall
24 provide to the taxpayer the reason for not using the appraisal. The department shall give reasonable notice to
25 the taxpayer of the time and place of the review.

26 (f) After the review, the department shall determine the correct appraisal and classification of the
27 land or improvements and notify the taxpayer of its determination by mail or electronically. The department may
28 not determine an appraised value that is higher than the value that was the subject of the objection unless the

1 reason for an increase was the result of a physical change in the property or caused by an error in the
2 description of the property or data available for the property that is kept by the department and used for
3 calculating the appraised value. In the notification, the department shall state its reasons for revising the
4 classification or appraisal. When the proper appraisal and classification have been determined, the land must
5 be classified and the improvements appraised in the manner ordered by the department.

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

8 (a) the taxpayer has submitted an objection on written or electronic forms provided by the
9 department or by checking a box on the notice; and

10 (b) the department has provided to the objector by mail or electronically its stated reason in writing
11 for making the adjustment.

12 (5) A taxpayer's written objection or objection made by checking a box on the notice and
13 supplemental information provided by a taxpayer that elects to check a box on the notice to a classification or
14 appraisal and the department's notification to the taxpayer of its determination and the reason for that
15 determination are public records. The department shall make the records available for inspection during regular
16 office hours.

17 (6) Except as provided in 15-2-302 and 15-23-102, if a property owner feels aggrieved by the
18 classification or appraisal made by the department after the review provided for in subsection (3), the property
19 owner has the right to first appeal to the county tax appeal board and then to the Montana tax appeal board,
20 whose findings are final subject to the right of review in the courts. The appeal to the county tax appeal board,
21 pursuant to 15-15-102, must be filed within 30 days from the date on the notice of the department's
22 determination. A county tax appeal board or the Montana tax appeal board may consider the actual selling price
23 of the property, independent appraisals of the property, negative property features that differentiate the subject
24 property from the department's comparable sales, and other relevant information presented by the taxpayer as
25 evidence of the market value of the property. If the county tax appeal board or the Montana tax appeal board
26 determines that an adjustment should be made, the department shall adjust the base value of the property in
27 accordance with the board's order."

28

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

2 **"15-16-101. Treasurer to publish notice -- manner of publication.** (1) Within 10 days after the
3 receipt of the property tax record, the county treasurer shall publish a notice specifying:

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

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

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

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

16 (i) the taxable value of the property;

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

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

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

20 (v) the amount of the total tax due itemized by mill levy that is levied as city tax, county tax, state
21 tax, school district tax, and other tax;

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

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

27 (viii) a notice of the availability of all the property tax assistance programs available to property
28 taxpayers, including the intangible land value assistance program provided for in 15-6-240, the property tax

assistance programs under Title 15, chapter 6, part 3, and the residential property tax credit for the elderly under 15-30-2337 through 15-30-2341, and the housing fairness property tax credit provided for in [sections 1 through 4].

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

(c) The information required in subsection (2)(a)(vii) may be posted on the county treasurer's website instead of being included on the written notice.

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

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

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

Section 9. Section 15-17-125, MCA, is amended to read:

"15-17-125. Attachment of tax lien and preparation of tax lien certificate. (1) (a) The county treasurer shall attach a tax lien no later than the first working day in August to properties on which the taxes are delinquent and for which proper notification was given as provided in 15-17-122 and subsection (4) of this section. Upon attachment of a tax lien, the county is the possessor of the tax lien unless the tax lien is assigned pursuant to 15-17-323.

(b) The county treasurer may not attach a tax lien to a property on which taxes are delinquent but for which proper notice was not given.

(2) After attaching a tax lien, the county treasurer shall prepare a tax lien certificate that must contain:

(a) the date on which the property taxes became delinquent;

(b) the date on which a property tax lien was attached to the property;

- 1 (c) the name and address of record of the person to whom the taxes were assessed;
2 (d) a description of the property on which the taxes were assessed;
3 (e) a separate listing of the amount of the delinquent taxes, penalties, interest, and costs;
4 (f) a statement that the tax lien certificate represents a lien on the property that may lead to the
5 issuance of a tax deed for the property;
6 (g) a statement specifying the date on which the county or an assignee will be entitled to a tax
7 deed; and

8 (h) an identification number corresponding to the tax lien certificate.

9 (3) The tax lien certificate must be signed by the county treasurer. A copy of the tax lien certificate
10 must be filed by the treasurer in the office of the county clerk. A copy of the tax lien certificate must also be
11 mailed to the person to whom the taxes were assessed, at the address of record, together with a notice that the
12 person may contact the county treasurer for further information on property tax liens.

13 (4) Prior to attaching a tax lien to the property, the county treasurer shall send notice of the
14 pending attachment of a tax lien to the person to whom the property was assessed. The notice must include the
15 information listed in subsection (2), state that the tax lien may be assigned to a third party, and provide notice of
16 the availability of all the property tax assistance programs available to property taxpayers, including the
17 property tax assistance programs under Title 15, chapter 6, part 3, and the residential property tax credit for the
18 elderly under 15-30-2337 through 15-30-2341, and the housing fairness property tax credit provided for in
19 [sections 1 through 4]. The notice must have been mailed at least 2 weeks prior to the date on which the county
20 treasurer attaches the tax lien.

21 (5) The county treasurer shall file the tax lien certificate with the county clerk and recorder."
22

23 **Section 10.** Section 15-30-2303, MCA, is amended to read:

24 **"15-30-2303. Tax credits subject to review by interim committee.** (1) The following tax credits
25 must be reviewed during the biennium commencing July 1, 2021, and during each biennium commencing 8
26 years thereafter:

- 27 (a) the credit for donations to innovative educational programs provided for in 15-30-2334, 15-30-
28 3110, and 15-31-158;

(b) the credit for donations to a student scholarship organization provided for in 15-30-2335, 15-30-3111, and 15-31-159; and

(c) the adoption tax credit provided for in 15-30-2321.

(2) The following tax credits must be reviewed during the biennium commencing July 1, 2023, and during each biennium commencing 8 years thereafter:

(a) the credit for infrastructure use fees provided for in 17-6-316;

(b) the credit for contributions to a qualified endowment provided for in 15-30-2327 through 15-30-2329, 15-31-161, and 15-31-162;

(c) the credit for property to recycle or manufacture using recycled material provided for in Title 15, chapter 32, part 6; and

(d) the credit for preservation of historic buildings provided for in 15-30-2342 and 15-31-151.

(3) The following tax credits must be reviewed during the biennium commencing July 1, 2025, and during each biennium commencing 8 years thereafter:

(a) the residential property tax credit for the elderly provided for in 15-30-2337 through 15-30-2341;

(b) the housing fairness property tax credit provided for in [sections 1 through 4];

~~(b)(c)~~ the credit for unlocking state lands provided for in 15-30-2380;

~~(c)(d)~~ the job growth incentive tax credit provided for in 15-30-2361 and 15-31-175; and

~~(d)(e)~~ the credit for trades education and training provided for in 15-30-2359 and 15-31-174.

(4) The following tax credits must be reviewed during the biennium commencing July 1, 2027, and during each biennium commencing 8 years thereafter:

(a) the credit for hiring a registered apprentice or veteran apprentice provided for in 15-30-2357 and 15-31-173;

(b) the earned income tax credit provided for in 15-30-2318;

(c) the media production and postproduction credits provided for in 15-31-1007 and 15-31-1009; and

(d) the credit for contractor's gross receipts provided for in 15-50-207.

(5) The revenue interim committee shall review the tax credits scheduled for review and make

1 recommendations in accordance with 5-11-210 at the conclusion of the full review to the legislature about
2 whether to eliminate or revise the credits. The committee shall also review any tax credit with an expiration date
3 or termination date that is not listed in this section in the biennium before the credit is scheduled to expire or
4 terminate.

5 (6) The revenue interim committee shall review the credits using the following criteria:

6 (a) whether the credit changes taxpayer decisions, including whether the credit rewards decisions
7 that may have been made regardless of the existence of the tax credit;

8 (b) to what extent the credit benefits some taxpayers at the expense of other taxpayers;

9 (c) whether the credit has out-of-state beneficiaries;

10 (d) the timing of costs and benefits of the credit and how long the credit is effective;

11 (e) any adverse impacts of the credit or its elimination and whether the benefits of continuance or
12 elimination outweigh adverse impacts; and

13 (f) the extent to which benefits of the credit affect the larger economy. (Subsection (3)(c)
14 terminates December 31, 2028--sec. 4, Ch. 391, L. 2023; subsection (3)(d) terminates December 31, 2028--
15 sec. 2, Ch. 576, L. 2023; subsection (1)(c) terminates December 31, 2031--sec. 6, Ch. 493, L. 2023.)"

16
17 **Section 11.** Section 15-30-2341, MCA, is amended to read:

18 **"15-30-2341. Residential property tax credit for elderly -- limitations -- denial of claim.** (1) Only
19 one claimant per household in a claim period under the provisions of 15-30-2337 through 15-30-2341 is entitled
20 to relief.

21 (2) A taxpayer may not claim the housing fairness property tax credit provided for in [sections 1
22 through 4] and the residential property tax credit for the elderly.

23 ~~(2)(3)~~ Except as provided in subsection ~~(3)(4)~~, a claim for relief may not be allowed for any portion of
24 property taxes billed or rent-equivalent taxes paid that is derived from a public rent or tax subsidy program.

25 ~~(3)(4)~~ Except for dwellings rented from a county or municipal housing authority, a claim for relief may
26 not be allowed on rented lands or rented dwellings that are not subject to Montana property taxes during the
27 claim period.

28 ~~(4)(5)~~ A person filing a false or fraudulent claim under the provisions of 15-30-2337 through 15-30-

2341 must be charged with the offense of unsworn falsification to authorities pursuant to 45-7-203. If a false or fraudulent claim has been paid, the amount paid, penalties, and interest may be recovered as provided in 15-1-216."

NEW SECTION. Section 12. Codification instruction. [Sections 1 through 4] are intended to be codified as an integral part of Title 15, chapter 30, and the provisions of Title 15, chapter 30, apply to [sections 1 through 4].

NEW SECTION. Section 13. Effective date. [This act] is effective January 1, 2026.

NEW SECTION. Section 14. Applicability. [Sections 1 through 4] apply to housing fairness property tax credits claimed in income tax years beginning on or after January 1, 2026, for property taxes billed after December 31, 2025.

- END -