

HOUSE BILL NO. 89

INTRODUCED BY S. KLAKKEN

BY REQUEST OF THE DEPARTMENT OF REVENUE

A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING A DEADLINE TO FILE A CLAIM FOR PROPERTY TAX RELIEF BASED ON A NATURAL DISASTER; AMENDING SECTION 15-16-611, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE."

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

Section 1. Section 15-16-611, MCA, is amended to read:

"15-16-611. Reduction of property tax for property destroyed by natural disaster -- proration of taxes on replaced property. (1) The department shall, upon showing by a taxpayer that some or all of the improvements on the taxpayer's real property, that a trailer or mobile home, or that personal property taxed under Title 15, chapter 6, part 1, has been destroyed to such an extent that the improvements or personal property has been rendered unsuitable for its previous use by natural disaster, adjust the taxable value on the property, accounting for the destruction.

(2) The county treasurer shall adjust the tax due and payable for the current year on the property under 15-16-102 or on personal property under 15-16-119 or 15-24-202 as provided in subsection (3) of this section.

(3) To determine the amount of tax due for destroyed property, the county treasurer shall:

(a) multiply the amount of tax levied and assessed on the original taxable value of the property for the year by the ratio that the number of days in the year that the property existed before destruction bears to 365; and

(b) multiply the amount of tax levied and assessed on the adjusted taxable value of the property for the remainder of the year by the ratio that the number of days remaining in the year after the destruction of the property bears to 365.

(4) This section does not apply to delinquent taxes owed on the destroyed property for a year prior

1 to the year in which the property was destroyed.

2 (5) A taxpayer must file a claim for the adjustment to taxable value provided by this section within 2
3 years of the date of the destruction of the property by the natural disaster.

4 (5)(6) A taxpayer receiving a reduction in taxes on personal property under this section shall notify
5 the department if the taxpayer replaces the destroyed personal property in the same tax year that the personal
6 property was destroyed. The tax on the personal property replacing the destroyed personal property must be
7 prorated according to the ratio that the number of days remaining in the year after the property was replaced
8 bears to 365. A taxpayer who fails to notify the department within 30 days from the date of the replacement of
9 the personal property is subject to the penalty prescribed in 15-1-303.

10 (6)(7) For the purposes of this section, "natural disaster" includes but is not limited to fire, flood,
11 earthquake, or wind. A fire is considered a natural disaster regardless of the origin of the fire. However, if the
12 taxpayer is convicted of arson for burning the property, property taxes may not be adjusted. If the taxes had
13 already been adjusted prior to the conviction, the original amount must be collected."

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15 NEW SECTION. Section 2. Effective date. [This act] is effective on passage and approval.

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