

HOUSE BILL NO. 140

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A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING PROPERTY TAX ASSISTANCE FOR FIRST RESPONDERS INJURED IN THE LINE OF DUTY AND SURVIVING SPOUSES OF FIRST RESPONDERS KILLED IN THE LINE OF DUTY; PROVIDING ELIGIBILITY REQUIREMENTS; PROVIDING DEFINITIONS; EXPANDING RULEMAKING AUTHORITY; AMENDING SECTIONS 15-6-301, 15-6-302, AND 15-6-312, MCA; AND PROVIDING AN APPLICABILITY DATE."

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

NEW SECTION. **Section 1. Injured first responder program.** (1) The residential real property of a qualified first responder or a qualified first responder's spouse is eligible to receive a tax rate reduction as provided in 15-6-302 and this section.

(2) Property qualifying under subsection (1) and owned by a qualified first responder is taxed at the rate provided in 15-6-134 multiplied by a percentage figure based on the applicant's qualifying income determined from the following table:

Income	Income	Percentage
Single Person	Married Couple	Multiplier
	Head of Household	
\$0 - \$46,977 <u>\$45,803</u>	\$0 - \$56,372 <u>\$54,963</u>	0%
\$46,978 - \$51,676 <u>\$45,804 - \$50,384</u>	\$56,373 - \$61,071 <u>\$54,964 - 59,544</u>	20%
\$51,677 - \$56,372 <u>\$50,385 - \$54,963</u>	\$61,072 - \$65,768 <u>\$59,545 - \$64,124</u>	30%
\$56,373 - \$61,071 <u>\$54,964 - \$59,554</u>	\$65,769 - \$70,467 <u>\$64,125 - \$68,705</u>	50%

(3) For a surviving spouse who owns property qualifying under subsection (4), the property is taxed at the rate established by 15-6-134 multiplied by a percentage figure based on the spouse's qualifying income determined from the following table:

1	Income	Percentage
2	Surviving Spouse	Multiplier
3	\$0 - \$38,169	0%
4	\$38,170 - \$42,750	20%
5	\$42,751 - \$47,330	30%
6	\$47,331 - \$51,911	50%

7 (4) The property tax exemption under this section remains in effect as long as the qualifying
8 income requirements are met and the property is the primary residence owned and occupied by the qualified
9 first responder or, if the first responder is deceased, by the first responder's spouse, and the spouse:

- 10 (a) is the owner and occupant of the house;
- 11 (b) is unmarried; and
- 12 (c) has obtained a letter from the first responder's employer indicating that the first responder was
13 killed in the line of duty or died from a disability resulting from an injury in the line of duty.

14 (5) The qualifying income levels contained in subsections (2) and (3) must be adjusted annually by
15 using the PCE inflation factor defined in 15-6-301, rounded to the nearest whole dollar amount. If the
16 adjustment results in a decrease in qualifying income levels from the previous year, the qualifying income levels
17 must remain the same for that year.

18

19 **Section 2.** Section 15-6-301, MCA, is amended to read:

20 **"15-6-301. Definitions.** As used in this part, the following definitions apply:

- 21 (1) "Annual verification" means the use of a process to:
 - 22 (a) verify an applicant's income;
 - 23 (b) approve, renew, or deny benefits for the current year based upon the applicant's eligibility; and
 - 24 (c) terminate participation based upon death or loss of status as a qualified veteran or veteran's
25 spouse.

26 (2) "Firefighter" means a firefighter qualified under 7-33-4107 who receives full or partial pay OR A
27 VOLUNTEER FIREFIGHTER AS DEFINED IN 19-17-102.

28 (3) "First responder" means a law enforcement officer, or a firefighter, OR VOLUNTEER EMERGENCY

1 CARE PROVIDER.

2 (4) "Injured in the line of duty" means an injury directly related to an individual's required
3 employment duties.

4 (5) "Law enforcement officer" means a police officer, sheriff, deputy sheriff, undersheriff, highway
5 patrol officer, investigator appointed by the department of justice, fish and game warden, park ranger, or other
6 public safety officer certified by the public safety officer standards and training council.

7 ~~(2)~~(6) "PCE" means the implicit price deflator (price index) for personal consumption expenditures as
8 published in the national income and product accounts by the bureau of economic analysis of the U.S.
9 department of commerce.

10 ~~(3)~~(7) "PCE inflation factor" for a tax year means the PCE price index value for the first quarter of the
11 prior tax year before the tax year divided by the PCE price index value for the first quarter of 2023.

12 ~~(4)~~(8) (a) "Primary residence" is, subject to the provisions of subsection ~~(4)(b)~~ (8)(b), a dwelling:

13 (i) in which a taxpayer can demonstrate the taxpayer lived for at least 7 months of the year for
14 which benefits are claimed;

15 (ii) that is the only residence for which property tax assistance is claimed; and

16 (iii) determined using the indicators provided for in the rules authorized by 15-6-302(2).

17 (b) A primary residence may include more than one dwelling when the taxpayer's combined
18 residence in the dwellings is at least 7 months of the tax year.

19 (9) "Qualified first responder" means a first responder:

20 (a) who was killed in the line of duty or died from a disability resulting from an injury in the line of
21 duty; or

22 (b) WHO, if living, :

23
24 (i) who receives a disability retirement benefit pursuant to 19-6-601, 19-7-601, 19-8-701, 19-9-
25 902, 19-13-802, 19-17-601, or 19-18-604; OR

26 (ii) FOR AN INJURED VOLUNTEER EMERGENCY CARE PROVIDER, RECEIVES COMPENSATION FOR
27 PERMANENT TOTAL DISABILITY UNDER 39-71-702 OR FOR PERMANENT PARTIAL DISABILITY UNDER 39-71-703.

28 ~~(5)~~(10) "Qualified veteran" means a veteran:

- 1 (a) who was killed while on active duty or died as a result of a service-connected disability; or
2 (b) if living:
3 (i) was honorably discharged from active service in any branch of the armed services; and
4 (ii) is currently rated 100% disabled or is paid at the 100% disabled rate by the U.S. department of
5 veterans affairs for a service-connected disability, as verified by official documentation from the U.S.
6 department of veterans affairs.

7 ~~(6)~~(11) "Qualifying income" means:

- 8 (a) the federal adjusted gross income excluding capital and income losses of an applicant and the
9 applicant's spouse as calculated on the Montana income tax return for the prior year;
10 (b) for assistance under 15-6-311, the federal adjusted gross income excluding capital and income
11 losses of an applicant as calculated on the Montana income tax return for the prior tax year; or
12 (c) for an applicant who is not required to file a Montana income tax return, the income determined
13 using available income information.

14 ~~(7)~~(12) "Qualifying property" means a primary residence that a qualified applicant owned and occupied
15 for at least 7 months during the tax year.

16 ~~(8)~~(13) "Residential real property" means the land and improvements of a taxpayer's primary
17 residence.

18 (14) "VOLUNTEER EMERGENCY CARE PROVIDER" HAS THE SAME MEANING AS PROVIDED IN 50-6-202.

19
20 **Section 3.** Section 15-6-302, MCA, is amended to read:

21 **"15-6-302. Property tax assistance -- rulemaking.** (1) The requirements of this section must be met
22 for a taxpayer to qualify for property tax assistance under 15-6-305, ~~or~~ 15-6-311, or [section 1].

23 (2) For the property tax assistance programs provided for in 15-6-305, ~~and~~ 15-6-311, and [section
24 1], the residential real property must be owned by the applicant or under contract for deed and be the primary
25 residence as defined in 15-6-301. The department shall make rules specifying the indicators used for
26 determining whether a residence is a primary residence for purposes of property tax assistance programs.

27 (3) An applicant's qualifying income, as defined in 15-6-301, may not exceed the threshold
28 established in 15-6-305, ~~or~~ 15-6-311, or [section 1], or in rules established pursuant to those sections.

- 1 (4) (a) A claim for assistance must be submitted on a form prescribed by the department.
- 2 (b) The form must contain:
- 3 (i) the qualifying income of the applicant and the applicant's spouse;
- 4 (ii) an affirmation that the applicant owns and maintains the land and improvements as the primary
- 5 residence as defined in 15-6-301;
- 6 (iii) the social security number of the applicant and of the applicant's spouse; and
- 7 (iv) any other information required by the department that is relevant to the applicant's eligibility.
- 8 (5) (a) An application must be filed by April 15 of the year for which assistance is first claimed.
- 9 (b) Once assistance is approved, the applicant remains eligible for property tax assistance in
- 10 subsequent years through the annual verification process defined in 15-6-301 without the need to reapply.
- 11 (c) A taxpayer shall inform the department of any change in eligibility occurring from one year to
- 12 the next.
- 13 (6) The department may verify an applicant's and an applicant's spouse's social security number
- 14 and benefits with the social security administration and the U.S. department of veterans affairs.
- 15 (7) The department must annually verify an applicant's eligibility, including the applicant's and
- 16 spouse's income, and approve, renew, or deny benefits for the current year based upon the findings.
- 17 (8) (a) When providing information for property tax assistance under 15-6-305, ~~or~~ 15-6-311, or
- 18 [section 1], applicants are subject to the false swearing penalties established in 45-7-202.
- 19 (b) The department may investigate the information provided in an application and an applicant's
- 20 continued eligibility.
- 21 (c) The department may request applicant verification of the primary residence.
- 22 (9) The department may address unusual circumstances of ownership and income that arise in
- 23 administering taxpayer assistance programs provided for in 15-6-305, ~~and~~ 15-6-311, and [section 1]. For the
- 24 disabled veteran program provided for in 15-6-311, "unusual circumstances" includes:
- 25 (a) living expenses and income above normal and typical annual income used for funeral
- 26 expenses or medical expenses, including medical expenses related to rehabilitation expenses, nontypical
- 27 medical expenses, or major medical expenses of an immediate family member;
- 28 (b) unusual expenditures for necessary home and living expenses, such as major home repairs,

1 vehicle replacement, and education or career training; and

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

3 (10) A temporary stay in a nursing home or similar facility does not change a taxpayer's primary
4 residence for the purposes of taxpayer assistance programs provided for in 15-6-305, ~~and 15-6-311,~~ and
5 [section 1].

6 (11) The department shall award property assistance under the property tax assistance program
7 that provides the greatest benefit to the taxpayer by reviewing applications and eligibility requirements, and
8 notify the applicant of the department's decision."
9

10 **Section 4.** Section 15-6-312, MCA, is amended to read:

11 **"15-6-312. Time period for property tax assistance.** (1) A person who qualifies for assistance under
12 15-6-305, ~~or 15-6-311,~~ or [section 1] is entitled to assistance as provided for in this section.

13 (2) The property tax assistance is provided for the full tax year:

14 (a) in the first year in which the applicant qualifies for assistance if the applicant resides in the
15 qualifying property for the remainder of the tax year;

16 (b) if the applicant resides in the qualifying property for the full tax year;

17 (c) for qualifying property owned by an applicant at the time the tax roll is provided to the county
18 treasurer for billing if 15-6-301(4)(b)(8)(b) applies.

19 (3) If an applicant who qualifies for assistance sells the qualifying property and does not purchase
20 a new residence during the tax year, the assistance is provided for the number of days the taxpayer owned the
21 qualifying property during the tax year based on the date of sale.

22 (4) (a) Except as provided in subsection (4)(b), a person who purchases a qualifying property is
23 not entitled to assistance for the partial tax year during which the person owns the property. The property must
24 be assessed at the full tax rate for the portion of the year the person owns the property based on the date of
25 sale.

26 (b) If the sale date is after the county treasurer sends the tax notice provided for in 15-16-101(2),
27 the tax notice may not be revised based on the change in ownership."
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