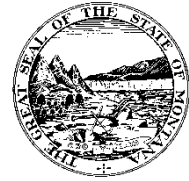




Mike Kadas
Director

Montana Department of Revenue



Steve Bullock
Governor

Memorandum

To: Mike Kadas, Director
Montana Department of Revenue

From: Eric Dale, Tax Policy and Research
Montana Department of Revenue

Date: July 31, 2017

Subject: Small business impact analysis of rules relating to HB 200, HB 224, and SB 324 of the 2017 Legislature.

HB 200, of the 2017 Legislature, revised laws regarding shared equity properties by clarifying a community land trust or a housing unit on land belonging to a community land trust are not condominiums. Rule amendments are proposed to reconcile the rules with MCA, after HB 200 was passed, and are not anticipated to have an impact on any small business.

HB 224, of the 2017 Legislature, allows for a veteran's organization or society to apply for a property tax exemption even if the property is owned by someone other than the organization or society. Rule amendments are proposed to reconcile the rules with MCA, after HB 224 was passed. There may be a very small number of small business that may benefit from HB 224, but any tax benefit to a small business, would be the result of HB 224, and not any rule change proposed by the department.

SB 324, of the 2017 Legislature, will require the department to inform the county treasurer of any determination made on a property tax exemption application. The proposed change in the rules add the county treasurer as a recipient of the department's written notification on exemption application determinations. Rule amendments are proposed to reconcile the rules with MCA, after SB 324 was passed, and are not anticipated to have an impact on any small business.

The 2015 Legislature passed HB 389, which required previously exempted property owners to reapply for exempt status for tax year 2015 and pay a reapplication fee. Future year applicants are not required to submit a processing fee and therefore it is also no longer necessary to include this language in the rule. This is not anticipated to have an impact on any small business.