

BEFORE THE DEPARTMENT OF REVENUE  
OF THE STATE OF MONTANA

In the matter of the adoption of New Rule I and the amendment of ARM 42.19.401, 42.19.403, and 42.19.405 pertaining to property tax assistance programs ) NOTICE OF ADOPTION AND AMENDMENT ) ) ) ) )

TO: All Concerned Persons

1. On September 22, 2017, the Department of Revenue published MAR Notice No. 42-2-980 pertaining to the public hearing on the proposed adoption and amendment of the above-stated rules at page 1612 of the 2017 Montana Administrative Register, Issue Number 18.

2. On October 12, 2017, a public hearing was held to consider the proposed adoption and amendment. Dan Flynn, a property owner, appeared and testified at the hearing. Written comments were received from Senator Keith Regier.

3. The department amends ARM 42.2.405 as proposed.

4. Based upon the comments received, the department adopts New Rule I (42.19.407) as proposed, but with the following change from the original proposal, new matter underlined:

NEW RULE I (42.19.407) INTANGIBLE LAND VALUE PROPERTY TAX ASSISTANCE PROGRAM FOR RESIDENTIAL PROPERTY (1) through (7) remain as proposed.

(8) Qualifying applicants are required to reapply for the intangible land value property tax assistance program each property valuation cycle. The supporting documentation outlined in (4) may be required with reapplications.

5. The department amends ARM 42.19.401 and 42.19.403 as proposed, but with 15-6-312, MCA, (House Bill 554, L. 2017), added to the implementing section for each rule, as follows, new matter underlined:

42.19.401 PROPERTY TAX ASSISTANCE PROGRAM (PTAP) (1) through (16) remain as proposed.

AUTH: 15-1-201, 15-6-302, MCA  
IMP: 15-6-301, 15-6-302, 15-6-305, 15-6-312, MCA

42.19.403 MONTANA DISABLED VETERAN (MDV) PROPERTY TAX ASSISTANCE PROGRAM (1) through (16) remain as proposed.

AUTH: 15-1-201, 15-6-302, MCA

IMP: 15-6-301, 15-6-302, 15-6-311, 15-6-312, MCA

6. The department has thoroughly considered the comments and testimony received. A summary of the comments received and the department's responses are as follows:

COMMENT 1: Senator Keith Regier asked why the definition of "qualifying applicant," as proposed for ARM 42.19.405(3), doesn't mention the third degree of consanguinity for the disproportionately high land value applicants. Senate Bill 94 allows a relative of the owner(s) to be the primary resident of the property and still qualify for the exemption.

RESPONSE 1: When adopted, New Rule I, which implements Senate Bill 94, will be located together with the department's other property tax assistance program rules in ARM Title 42, chapter 19, subchapter 4. The department proposed defining the term "qualifying applicant," in ARM 42.19.405, which applies to terms used throughout the subchapter, as general guidance on the limited types of property ownership that may meet the requirements of the statutes and rules covering all property tax assistance programs. The definition is not specific to one program. Specific language pertaining to the qualifications of a family member within three degrees of consanguinity for the new intangible land value property tax assistance program is located in New Rule I(4) and (5).

COMMENT 2: In reference to the proposed language in New Rule I(8), which requires a qualifying applicant to reapply for the assistance program each property valuation cycle, Dan Flynn commented that if an applicant has supplied all of the required paperwork and qualifies in the first year, being required to supply the paperwork again in subsequent years would be somewhat burdensome. He commented that there should be an easier way to requalify and asked that the department not require property owners to resubmit the supporting documentation once approved.

RESPONSE 2: The department appreciates Mr. Flynn's comments on the proposed language in New Rule I, and has added a sentence in (8) to specify that the supporting documents "may" be required with reapplications. While the statute requires property owners to apply for each valuation cycle they are seeking assistance, the supporting documents initially provided to the department proving the three degrees of consanguinity will not necessarily need to be resubmitted with each subsequent application, depending on the circumstances.

COMMENT 3: Mr. Flynn asked when the department will begin taking the applications for the program.

RESPONSE 3: The department's goal is to make the application form available online at [revenue.mt.gov](http://revenue.mt.gov), by late December, 2017. Property owners will have until March 1 to submit their completed application form and all supporting documentation to their local Department of Revenue office.

/s/ Laurie Logan  
Laurie Logan  
Rule Reviewer

/s/ Mike Kadas  
Mike Kadas  
Director of Revenue

Certified to the Secretary of State November 13, 2017.