



ADMINISTRATIVE RULES OF MONTANA

42.20.110 TAX EXEMPTION AND REDUCTION FOR THE REMODELING, RECONSTRUCTION, OR EXPANSION OF CERTAIN COMMERCIAL PROPERTY

- (1) To be eligible for tax exemption and tax reduction for remodeling, reconstruction, or expansion of existing commercial buildings or structures which are available pursuant to [15-24-1502](#), MCA, the property owner of record or the property owner's agent must make application to the appropriate governing body. The application to the affected governing body:
 - (a) will be made on a form available from the county commissioners of the affected county or, if the construction will occur within an incorporated city or town, on a form available from the city commission or the local governing body; and
 - (b) must be made prior to completion of a building permit or prior to commencement of construction.
- (2) Failure to make application prior to completion of a building permit or prior to commencement of construction will result in the waiver of all construction period tax exemptions.
- (3) Additionally, all subsequent tax reductions, if approved, will be calculated as of the date the building permit was completed, or as of the date construction began, whichever is earlier.
- (4) Applications from the local governing body must be received by the department for review before April 1 of the tax year for which the benefits are sought. The department will attempt to perform a field evaluation within 30 days of receipt of the application and provide that information to advise the local governing body whether the remodeling, reconstruction, or expansion of the existing building or structure increases the taxable value of that structure or building by at least 5%.
- (5) The local governing body shall review the application and information from the department to determine whether to approve or to deny the application. A copy of the processed application form reflecting the governing body's decision shall be mailed to the local department office in the county in which the property is located.
- (6) The department shall provide application forms (AB-56A) to all local governing bodies. The applicant shall provide the following information on the application form:
 - (a) property owner's name;
 - (b) description of property;
 - (c) location of property;
 - (d) legal description of property;
 - (e) mailing address for the owner of property including:

- (i) city;
 - (ii) state; and
 - (iii) zip code;
- (f) taxable value increase due to remodeling;
- (g) starting date for the remodeling, reconstruction, or expansion; and
- (h) owner's signature.
- (7) The computation of tax benefits will be dependent upon the approval of the application by all affected governing bodies.
- (8) For projects which are entirely, physically located outside the boundaries of incorporated cities or towns, the governing body of the affected county has sole authority to approve the tax benefits for the project.
- (9) If the project is entirely, physically located within an incorporated city or town, both the governing body of the affected county and the governing body of the incorporated city or town must approve the application by resolution before all available tax benefits may be extended to the project. If the city approves the application and the county rejects the application, the tax benefits will apply only to the number of mills levied and assessed by the incorporated city or town. The number of mills levied and assessed by the county governing body will not be affected, nor will any tax benefits be extended by the county to the project.
- (10) Except as provided in (1) , only an additional value created after an application has been filed may be considered for tax benefits according to this rule.

Authorizing statute(s): 15-1-201, MCA

Implementing statute(s): 15-24-1502, MCA

History: NEW, 2002 MAR p. 3723, Eff. 12/27/02; AMD, 2005 MAR p. 1594, Eff. 8/26/05.