



ADMINISTRATIVE RULES OF MONTANA



42.19.1104 PROPERTY TAX EXEMPTION FOR NONFOSSIL ENERGY SYSTEM

- (1) The property owner of record, or the property owner's agent, must make application to the local department office for classification as a nonfossil form of energy generation on a form available on the department's website or from the local department office before March 1 to be considered for exemption for the current tax year.
- (2) When a completed application is received by the local department field office, the department staff will adhere to the following procedures:
 - (a) The energy system will be inspected and the application considered in time to assure that any exemption will affect the property's value in the earliest possible tax year following the date of application.
 - (b) If the energy system is completed prior to March 1 of a year, the application must be filed by March 1 of that year in order for an exemption to apply for the full ten-year period.
 - (c) If the energy system is completed after March 1 of a year, the application must be filed by March 1 of the next year in order for an exemption to apply for the full ten-year period.
 - (d) If an applicant misses the deadlines outlined above, they will lose one year of exemption potential for every deadline date that passes. For example:
 - (i) If an individual completes installation of an energy system in August of the current year, but does not apply for an exemption by March 1 of the next year, the exemption would be allowed for a total of nine years.
 - (ii) If the individual completes installation of an energy system in July of the current year, but does not apply for an exemption until two years later, the individual has a total exemption potential of eight years.
 - (e) The maximum exemption for residential property is \$20,000 in market value as determined by the department and for nonresidential property, it is \$100,000 in market value as determined by the department. If the value of the energy system appears to exceed those amounts, the property data and exemption application will be reviewed for consideration by the department. Any market value over \$20,000 for residential property or \$100,000 for nonresidential property will not receive the exemption.
- (3) The following criteria must be satisfied in order for any energy system to receive exemption (all criteria must be satisfied for successful application):
 - (a) The system must be able to generate energy by use of "recognized nonfossil" means.

- (b) The system's components must be unique to the system and not standard components of the structure for which it provides energy.
- (c) The predominant use of the system must be energy generation.

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

Implementing statute(s): 15-6-224, 15-32-102, MCA

History: NEW, Eff. 3/7/76; AMD, 1980 MAR p. 1089, Eff. 3/18/80; AMD and TRANS, from ARM 42.19.1101, 1986 MAR p. 2011, Eff. 12/12/86; AMD, 2000 MAR p. 3560, Eff. 12/22/00; AMD and TRANS, from ARM 42.4.103, 2004 MAR p. 1965, Eff. 8/20/04; AMD, 2006 MAR p. 3102, Eff. 12/22/06; AMD, 2017 MAR p. 1674, Eff. 9/23/17.