



ADMINISTRATIVE RULES OF MONTANA



42.20.102 PROPERTY TAX EXEMPTION APPLICATION PROCESS AND REQUIREMENTS

- (1) A property owner of record, their agent, or a federally recognized tribe who seeks a property tax exemption authorized under 15-6-201, 15-6-203, 15-6-209, 15-6-221, and 15-6-227, MCA, must submit a department property exemption application form (application) and provide the department with the documents and information specific to the property type and the exemption sought, as required by this rule and ARM 42.20.102A.
- (2) All applications submitted to the department for property owned by an applicant as of January 1 must be postmarked no later than March 1 of the year in which the exemption is sought.
- (3) All applications postmarked after March 1 will be considered for the following tax year only, except as provided in (a) and (b).
 - (a) If an applicant acquires ownership of the property after January 1 but before March 1, the application must be submitted and postmarked no later than 30 days after the acquisition date. For example, an applicant who acquires ownership of property on February 15, must submit an application postmarked no later than March 17.
 - (b) If an applicant is applying for an exemption in response to the department's written notification that the property will be placed on the tax roll for the current tax year, the application must be postmarked no later than 30 days after the date of the department's notice. For example, an applicant who is notified by the department on February 15 of the property's placement on the tax roll, must submit an application postmarked no later than March 17.
- (4) The department may extend the March 1 deadline to June 1 if:
 - (a) the applicant was unable to apply before March 1 due to an infirmity that existed between January 1 and June 1; or
 - (b) there is new construction on the property, which was exempt in a prior year, in which case the applicant must:
 - (i) submit a written statement, plus any supporting documentation, explaining any circumstances that prevented timely filing of the application; and
 - (ii) provide a completed application, including all applicable supporting documentation in accordance with this rule.
- (5) For each application submitted, the applicant must:
 - (a) identify each parcel by geocode, assessor code, legal description, or physical address;
 - (b) state the specific and actual use of the real or personal property;

(c) provide a copy of a recorded deed, or a contract for deed, or other legally sufficient document identifying ownership if the application is for a real property exemption;

(d) provide a photograph of the property;

(e) provide a copy of the title of motor vehicle or mobile home, or, if title is not applicable, a letter identifying ownership, if the application is for a personal property exemption; and

(f) include the additional documents required for the specific property type described in ARM 42.20.102A.

(6) Unless the applicant is a federally recognized tribe, the applicant must also provide:

- (a) in the case of an entity applicant, a copy of the applicant's organization documents, such as articles of incorporation, articles of organization, or partnership agreement;
- (b) verification of tax-exempt status by the Internal Revenue Service or a written statement explaining why the exemption verification is not available.

(7) A federally recognized tribe must include a tribal resolution that:

- (a) identifies the fee land, by legal description;
- (b) states the type of exemption the tribe is requesting; and
- (c) states the specific and exclusive use of the real or personal property.

(8) Upon receipt of the application and the documents and information required by this rule and ARM 42.20.102A, the department will perform a field evaluation. The department approves or denies the application and notifies the applicant and the county treasurer of its decision, in writing, as provided in 15-6-235, MCA.

(9) Approved exemptions apply to ad valorem (general) taxes only; organizations are responsible for any special fees or assessments charged by local taxing jurisdictions.

(10) If property is owned by a governmental entity (such as city, county, or state), the federal government (unless Congress has passed legislation allowing the state to tax property owned by a federal entity), tribal government, nonprofit irrigation districts organized under Montana law, municipal corporations, public libraries, or rural fire districts and other entities providing fire protection under Title 7, chapter 33, MCA, the following exemption criteria apply:

- (a) property must be assessed and taxed from the date of change from a nontaxable status to a taxable status, as required under 15-16-203, MCA;
- (b) if the property is tax-exempt as of January 1 of the current tax year and is sold to a nonqualifying purchaser after January 1 of the current tax year, it becomes taxable upon the date of transfer of the property to the nonqualifying purchaser. The tax is prorated according to 15-16-203, MCA;
- (c) if a property is tax-exempt, as in (b), and is sold as tax-deed property to a nonqualifying purchaser after January 1 of the current tax year, it becomes taxable on January 1 following the execution of such contract or deed as provided in 7-8-2307, MCA; and

- (d) if a tribal government is requesting an exemption of an essential government service, as provided in 15-6-201, MCA, that service must be identified in the application.

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

Implementing statute(s): 7-8-2307, 15-6-201, 15-6-203, 15-6-209, 15-6-221, 15-6-235, MCA

History: NEW, 1985 MAR p. 2019, Eff. 12/27/85; AMD, 1988 MAR p. 737, Eff. 4/15/88; AMD, 1990 MAR p. 1714, Eff. 8/31/90; AMD, 1991 MAR p. 2042, Eff. 11/1/91; AMD, 2002 MAR p. 3723, Eff. 12/27/02; AMD, 2003 MAR p. 1886, Eff. 8/29/03; AMD, 2006 MAR p. 3103, Eff. 12/22/06; AMD, 2012 MAR p. 627, Eff. 3/23/12; AMD, 2013 MAR p. 2446, Eff. 12/27/13; AMD, 2014 MAR p. 2994, Eff. 12/12/14; AMD, 2015 MAR p. 2350, Eff. 1/1/16; AMD, 2017 MAR p. 2090, Eff. 11/10/17; AMD, 2022 MAR p. 1941, Eff. 9/24/22.