

SENATE BILL NO. 119

INTRODUCED BY S. WEBBER, M. WEATHERWAX, J. WINDY BOY, T. RUNNING WOLF, D. HAWK, M. FOX,
J. SMALL, E. MCCLAFFERTY, S. STEWART PEREGOY

A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE TEMPORARY EXEMPTION FOR CERTAIN
TRIBAL PROPERTY TO APPLY TO PROPERTY OWNED BY A MEMBER OF AN INDIAN TRIBE;
AMENDING SECTION 15-6-230, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND AN
APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-6-230, MCA, is amended to read:

"15-6-230. Temporary exemption for certain tribal property -- rulemaking. (1) Subject to
subsections (2) and (3), property located within the boundaries of the state of Montana and owned in fee by a
federally recognized Indian tribe ~~located within the boundaries of the state of Montana or a member of an Indian~~
tribe is temporarily exempt from taxation on January 1 after the following conditions are met:

(a) the United States department of the interior, bureau of Indian affairs, has determined that the
initial written request or trust application submitted by the tribe or tribal member is complete; and

(b) the tribe or tribal member has submitted a timely property tax exemption application to the
department and the department has approved the ~~tribe's~~ exemption application.

(2) Prior to approving the exemption application, the department shall notify the county in which
the property is located. On approval of an exemption pursuant to this section, the department shall provide the
approved application to the county in which the property is located.

(3) The temporary exemption applies only for the timeframe during which a decision on the trust
application is officially pending before the United States department of interior, bureau of Indian affairs, but the
exemption may not exceed a period of 5 years and ceases earlier if the United States denies the trust
application.

(4) For tax years following the department's approval of the exemption, the tribe or tribal member

1 shall annually certify to the department that the trust application is still under consideration by the United States
2 department of interior, bureau of Indian affairs, and has not been denied. The exemption applies only for tax
3 years for which the department has received a timely certification from the affected tribe or tribal member. The
4 department shall provide the annual certification to the county in which the property is located.

5 (5) If a trust application has been denied, the temporary exemption expires on December 31 of the
6 year in which the trust application was denied. The temporary exemption is no longer available for property
7 associated with a trust application that has been denied.

8 (6) (a) Property for which a trust application is denied or for which the 5-year exemption period
9 expires and the trust application remains pending before the United States department of the interior, bureau of
10 Indian affairs, is subject to a recapture of property taxes. The recaptured tax is equal to the tax that would have
11 been assessed using the tax rates, the mill levies, and the appraised value for each year in which the property
12 was exempt under this section. The department shall provide the taxable value to the county treasurer for
13 collection of taxes subject to recapture.

14 (b) The department shall continue to appraise property granted an exemption under this section
15 until a trust application is approved by the United States department of the interior, bureau of Indian affairs. The
16 appraised value is only for use for calculating the recapture provided for in this section and may not be included
17 in the taxable value provided to taxing jurisdictions.

18 (7) If the United States takes ~~tribally owned~~ the property out of trust, the property is subject to tax
19 as otherwise provided by federal and state law.

20 (8) The department may adopt rules to implement the provisions of this section."
21

22 NEW SECTION. Section 2. Notification to tribal governments. The secretary of state shall send a
23 copy of [this act] to each federally recognized tribal government in Montana.
24

25 NEW SECTION. Section 3. Effective date. [This act] is effective on passage and approval.
26

27 NEW SECTION. Section 4. Applicability. [This act] applies to applications for exemption received
28 on or after [the effective date of this act].

1

- END -