BEFORE THE DEPARTMENT OF REVENUE
OF THE STATE OF MONTANA

In the matter of the amendment of ARM 42.20.118 pertaining to tribal government applications for temporary property tax exemption ) NOTICE OF AMENDMENT

TO: All Concerned Persons

1. On August 5, 2022, the Department of Revenue published MAR Notice No. 42-1055 pertaining to the public hearing on the proposed amendment of the above-stated rule at page 1643 of the 2022 Montana Administrative Register, Issue Number 15.

2. On August 26, 2022, the department held a public hearing to consider the proposed amendment. The only attendee at the hearing was Robert Story, Executive Director of the Montana Taxpayers Association (Montax). Mr. Story also provided written comments on behalf of Montax.

3. The department has amended ARM 42.20.118 as proposed but with the following changes from the original proposal, new matter underlined, deleted matter interlined:

   42.20.118 TRIBAL GOVERNMENT APPLICATION FOR A TEMPORARY PROPERTY TAX EXEMPTION
   (1) through (3) remain as proposed.
   (4) The department will provide written notification to the county treasurer when an application is received and will identify the subject property. The department will also provide the county treasurer with a copy of all approved applications for the county. The department will provide the following to the county treasurer:
   (a) prior to approving an exemption application, written notification that an application is received; and
   (b) after the department approves an application, a copy of the approved application.
   (5) If a tribe's written request or trust application is denied by the BIA or the five-year exemption period expires while a trust application remains pending before the BIA, the department will:
   (a) remains as proposed.
   (b) provide the county treasurer with the taxable values for each property and for each year there was a temporary exemption approved for applications received on or after May 7, 2021.
   (6) and (7) remain as proposed.

AUTH: 15-1-201, 15-6-230, MCA
IMP: 15-6-230, 15-6-235, MCA
4. 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:** Mr. Story provided commentary in support of the rulemaking because it clarifies and improves the temporary tribal tax exemption application process and the changes implement Senate Bill 214 (2021) as the law intended.

**RESPONSE 1:** The department thanks Mr. Story and Montax for their support and involvement in this rulemaking.

**COMMENT 2:** Mr. Story provided suggestions for amendments to ARM 42.20.118(4) and (5)(b), upon adoption, to separate concepts in (4) and to substitute the word "and" with "for" in (5)(b) to improve clarity of the department's duties under the respective rule sections.

**RESPONSE 2:** The department thanks Mr. Story for his valuable input and suggestions to this rulemaking. Based on these comments, the department has revised ARM 42.20.118(4) and (5)(b), upon adoption, as described above.

/s/ Todd Olson
Todd Olson
Rule Reviewer

/s/ Brendan Beatty
Brendan Beatty
Director of Revenue

Certified to the Secretary of State September 13, 2022.