

1 BE IT ENACTED BY THE PEOPLE OF THE STATE OF MONTANA:

2 **Section 1.** Article VIII, section 3, of The Constitution of the State of Montana is amended to read:

3 **“Section 3. Property tax administration -- limitation.** (1) Subject to subsections (2) through (12), the
4 state shall appraise, assess, and equalize the valuation of all property which is to be taxed in the manner
5 provided by law.

6 (2) Except as otherwise provided in this section, the total amount of ad valorem taxes assessed against
7 a primary residence may not exceed 1% of the valuation assessed by the state in 2019.

8 (3) After December 31, 2019, whenever a primary residence has been newly constructed, significantly
9 improved, or has a change of ownership, the primary residence shall be assessed at fair-market value on
10 January 1 of the following year.

11 (4) For a change of ownership of a primary residence resulting from a sale, the valuation in subsection
12 (3) shall be presumed to be the sale price absent clear and convincing evidence to the contrary.

13 (5) Valuations established by subsections (2) through (4) may be changed annually on January 1 of
14 each year, but those changes shall not exceed the lower of the following:

15 (a) 2% of the valuation for the prior year;

16 (b) the percent change in the consumer price index for all urban consumers, U.S. City Average, all
17 urban consumers, using the 1982-84 base of 100, as published by the Bureau of Labor Statistics of the United
18 States Department of Labor.

19 (6) Notwithstanding subsection (3), the owner of a primary residence may transfer its base year value as
20 established by this section to any replacement primary residence of equal or lesser value located within the
21 state if the replacement is made within two years of the sale of the primary residence.

22 (7) Additional exceptions to subsection (3) may be provided for by law, including, but not limited to,
23 intra-family transfers, the acquisition of a new primary residence necessitated by eminent domain proceedings,
24 the addition of an alternative energy system, or reconstruction resulting from crimes, civil disturbances, wildfires,
25 or other natural disasters.

26 (8) “Primary residence” means a single-family dwelling in which a resident lives for at least 7 months of
27 the year and is the only residence claimed by the resident.

1 (9) This section shall be applied to primary residences owned by more than one person as provided by
2 law.

3 (10) A significant improvement to a primary residence may be defined as provided by law.

4 (11) This section does not repeal any statute limiting ad valorem property taxes or deny the
5 Legislature's authority to impose additional limits upon such taxes.

6 (12) Equalized valuation of other real property may, in a manner provided by law, be based upon
7 acquisition value and subject to limitations on increases in valuations.

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9 NEW SECTION. Section 2. Severability. If a part of [this act] is invalid, all valid parts that are
10 severable from the invalid part remain in effect. If a part of [this act] is invalid in one or more of its applications,
11 the part remains in effect in all valid applications that are severable from the invalid applications.

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13 NEW SECTION. Section 3. Applicability. [This act] applies to property tax years beginning after
14 December 31, 2023.

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