

HOUSE BILL NO. 226

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A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT CERTAIN PROPERTY OWNED BY A
 NONPROFIT SHOOTING RANGE IS EXEMPT FROM PROPERTY TAXES; ALLOWING A SHOOTING RANGE
 TO RECOVER COSTS AND ATTORNEY FEES FROM THE DEPARTMENT OF REVENUE; AMENDING
 SECTION 15-24-1203, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE
 APPLICABILITY DATE."

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

NEW SECTION. Section 1. Shooting range exemption -- beneficial use tax exemption -- costs and attorney fees.

(1) Pursuant to 5-4-104, the legislature finds that preserving and protecting a system of safe and suitable places for people to discharge firearms serves the health, safety, and welfare of the people of Montana.

(2) ~~(A) Subject~~ EXCEPT AS PROVIDED IN SUBSECTION (2)(B) AND SUBJECT to subsections (3) through (6), the buildings, improvements, and appurtenant land of up to 150 acres owned by a shooting range organization and reasonably necessary for its use as a shooting range are exempt from property taxation. A person shall apply for an exemption under this section by March 1 of the tax year for which the exemption is first sought.

(B) AN EXEMPTION MAY NOT BE GRANTED FOR A RESIDENCE AND THE 1 ACRE OF REAL PROPERTY BENEATH A RESIDENCE. IF THE 1 ACRE BENEATH A RESIDENCE INCLUDES IMPROVEMENTS USED FOR THE SHOOTING RANGE, THE IMPROVEMENTS OTHER THAN THE RESIDENCE ARE EXEMPT.

(3) An organization is exempt if the organization:

(a) is incorporated and admitted under the Montana Nonprofit Corporation Act as provided in Title 35, chapter 2, and is in good standing under the laws of this state;

(b) has been an active shooting range continuously for 5 years;

1 (c) is an association, club, or organization that:
 2 (i) accepts in its membership any person who holds or is eligible to hold a Montana hunting license;
 3 (ii) does not limit the number of members; and
 4 (iii) charges a membership fee not greater than the per-member share of the organization's reasonable
 5 cost of provision of services, including establishment, improvement, and maintenance of shooting facilities and
 6 other membership services.

7 (4) Buildings and land exempted under this section must be appraised, assessed, and subject to levies
 8 for a special improvement district if the special improvement directly benefits the buildings or land.

9 (5) A shooting range organization that is exempted under this section may:

10 (a) sell food and beverages to users of the shooting range if it is licensed to sell food and beverages
 11 under the laws of this state;

12 (b) allow a member to receive compensation for firearms training courses that are provided by a member;
 13 and

14 (c) allow the shooting range to be used for a public purpose regardless of whether compensation is
 15 received, including but not limited to use by the national guard, the Montana home guard, the United States
 16 armed forces, law enforcement, hunter safety instructors, hunter education students, firearms safety students,
 17 and employees of the department of fish, wildlife, and parks.

18 (6) A person, association, club, entity, or organization that utilizes a tax-exempt shooting range to conduct
 19 the activities provided in subsection (5) may not be assessed a tax as a beneficial user of tax-exempt property.

20 (7) An organization may be awarded costs and reasonable attorney fees from the department if the
 21 organization prevails in a court action that challenges its tax-exempt status. A court may award costs and fees
 22 regardless of whether the department's claim or defense was reasonable.

23

24 **Section 2.** Section 15-24-1203, MCA, is amended to read:

25 **"15-24-1203. Privilege tax on industrial, trade, or other business use of tax-exempt property --**

26 **exceptions.** (1) There is imposed and must be collected a tax upon the possession or other beneficial use for
 27 industrial, trade, or other business purposes enjoyed by any private individual, association, or corporation of any
 28 property, real or personal, that for any reason is exempt from taxation. The tax is imposed upon the possession
 29 or other beneficial use of an electric transmission line and associated facilities, except that lines and facilities of
 30 a design capacity of less than 500 kilovolts are not subject to the tax.

1 (2) The tax may not be imposed upon:

2 (a) the possession or other beneficial use of railroad right-of-way or track owned by the United States
3 or acquired by the state pursuant to Title 60, chapter 11, part 1, as long as the state or the United States retains
4 ownership and the right-of-way or track is used exclusively for rail transportation;

5 (b) the beneficial use by a person of property held by a port authority, created under Title 7, chapter 14,
6 part 11, or by a port authority owned by the United States or an agency of the United States unless the port
7 authority provides for the exclusive use of the property by the person;

8 (c) the possession or other beneficial use of public lands occupied under the terms of recreational,
9 mineral, timber, or grazing leases or permits issued by the United States or the state of Montana or upon any
10 easement unless the lease, permit, or easement entitles the lessee or permittee to exclusive possession of the
11 premises to which the lease, permit, or easement relates; or

12 (d) the possession or other beneficial use of property held by a nonprofit shooting range as provided in
13 [section 1(6)]; or

14 ~~(d)~~(e) the possession or other beneficial use of buildings owned by public entities and located upon
15 public airports. However, privately owned buildings located on public airport property are subject to taxation."
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17 NEW SECTION. Section 3. Codification instruction. [Section 1] is intended to be codified as an
18 integral part of Title 15, chapter 6, part 2, and the provisions of Title 15, chapter 6, part 2, apply to [section 1].
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20 NEW SECTION. Section 4. Effective date. [This act] is effective on passage and approval.
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22 NEW SECTION. Section 5. Retroactive applicability. [This act] applies retroactively, within the
23 meaning of 1-2-109, to tax years beginning after December 31, 2018.
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