

HOUSE BILL NO. 223

INTRODUCED BY M. MILLER

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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; PROVIDING THE EXEMPTION IS AUTOMATIC AND CONTINUOUS; ALLOWING A SHOOTING RANGE TO RECOVER COSTS AND ATTORNEY FEES FROM THE DEPARTMENT OF REVENUE; PROVIDING A BENEFICIAL USE TAX EXEMPTION FOR CERTAIN ACTIVITIES; 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) Subject to subsections (3) through (6), the buildings, improvements, and appurtenant land owned by a shooting range organization are exempt from property taxation. The exemption is automatic and continuous if the organization submits written notification of exempt status by certified mail to the department by May 1 of the first tax year in which exempt status is claimed.

(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;

(c) is an association, club, or organization that:

(i) accepts in its membership any person who holds or is eligible to hold a Montana hunting license;

(ii) does not limit the number of members; and

(iii) charges a membership fee not greater than the per-member share of the organization's reasonable cost of provision of services, including establishment, improvement, and maintenance of shooting facilities and other membership services.

(4) Buildings and land exempted under this section must be appraised, assessed, and subject to levies

1 for any special improvement district if the special improvement directly benefits the buildings or land.

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

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

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

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

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

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

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

18 **"15-24-1203. Privilege tax on industrial, trade, or other business use of tax-exempt property --**

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

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

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

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

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

5 (d) the possession or other beneficial use of buildings owned by public entities and located upon public
6 airports. However, privately owned buildings located on public airport property are subject to taxation; or

7 (e) the possession or other beneficial use of property held by a nonprofit shooting range as provided in
8 [section 1(6)]."

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10 NEW SECTION. Section 3. Codification instruction. [Section 1] is intended to be codified as an
11 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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13 NEW SECTION. Section 4. Effective date. [This act] is effective on passage and approval.

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15 NEW SECTION. Section 5. Retroactive applicability. [This act] applies retroactively, within the
16 meaning of 1-2-109, to tax years beginning after December 31, 2012.

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