



DEPARTMENT OF REVENUE

NOTICE OF PROPOSED RULEMAKING

MAR NOTICE NO. 2026-448.1

Summary

Proposed amendment of ARM 42.20.301 to provide application criteria and updated department processes for nonproductive patented mining claims

Hearing Date and Time

Tuesday, February 17, 2026, at 10:00 a.m.

Hearing Information

Third Floor Reception Area Conference Room, Sam W. Mitchell Building, 125 North Roberts, Helena, Montana

Comments

Comments may be submitted using the contact information below. Comments must be received by Tuesday, February 24, 2026, at 5:00 p.m.

Accommodations

The agency will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. Requests must be made by Friday, January 30, 2026, at 5:00 p.m.

Contact

Rulemaking Actions

AMEND

The rule proposed to be amended is as follows, stricken matter interlined, new matter underlined:

42.20.301 APPLICATION FOR CLASSIFICATION AS NONPRODUCTIVE, PATENTED MINING CLAIM

- (1) ~~The property owner of record or the property owner's agent must make application to the department to secure classification of the owner's land as a nonproductive, patented mining claim. To be considered for the current tax year, an application must be filed on a form available from the department within 30 days after receiving a classification and appraisal notice from the department. The form must be filed with the department. A property owner whose property meets the requirements of a nonproductive patented mining claim, as provided in 15-6-133, MCA, may apply to obtain that land classification on the department's form which is available at <http://www.revenue.mt.gov>.~~
- (2) ~~Applications must be submitted within 30 days from the date on the classification and appraisal notice for the exemption to be considered for both years of the two-year valuation cycle.~~
 - (a) ~~Applications submitted later than 30 days from the date on the classification and appraisal notice will apply to the second year of the two-year valuation cycle only.~~
 - (b) ~~An applicant who does not apply during the first year of the valuation cycle must apply by March 1 of the second year of the valuation cycle.~~
- (2)(3) ~~The department will review the application and may conduct a field review. The department will approve or deny the application and will return a copy of the form to the property owner or the owner's agent shall notify the applicant in writing whether the application has been approved or denied.~~
- (3)(4) ~~An annual application is not required. An application is required only if the department reclassifies the property and the taxpayer disagrees with the department's reclassification action. The taxpayer will be notified in writing if the department acts to reclassify the taxpayer's property. The department may change a nonproductive patented mining claim land classification if:~~

- (a) the property changes ownership;
- (b) the property is subdivided; or
- (c) the department determines the property no longer meets the nonproductive patented mining claim land requirements provided in ARM 42.20.303.

Authorizing statute(s): 15-1-201, MCA

Implementing statute(s): 15-6-101, 15-6-133, 15-7-102, 15-8-111, MCA

Reasonable Necessity Statement

The department conducted a review of ARM 42.20.301 and notes that the current version of the rule lacks necessary context regarding nonproductive patented mining claims (15-6-133, MCA) and proposes amendments to strike and restate (1) for improved clarity and attribution to the implementing statute and updated location of the department's form on its web site.

Current (2) also does not provide clear guidance for classification applications that are received outside the beginning of a reappraisal cycle, nor does (3) reflect the department's current procedure to notify applicants of application approvals (or denials). Accordingly, the department proposes new (2) and amended (3) to provide clear application due dates for property owners requesting reclassification and includes the department's policy to inform property owners of determinations in writing. The department adopted the same format in new (2) in its amendments to ARM 42.19.407 in 2023 which have been well received.

Lastly, the department proposes to amend (4) to update the circumstances when the department will reclassify the property as a mining claim according to the process and criteria described in ARM 42.20.303.

Small Business Impact

With regard to the small business impact analysis requirements of 2-4-111, MCA, as amended by HB 592 (2025), the department has analyzed the proposed rule adoptions and the groups or class of businesses directly affected by this rulemaking if they meet the definition of a small business under 2-4-102(13), MCA.

The department contends there is no small business impact directly related to the proposed rulemaking because the proposed improvement in the rule will have a positive, clarifying effect for those who apply for nonproductive patented mining claims. Further, the department's property tax records do not track the number of employees these businesses might have because it is generally not pertinent to the valuation and taxation of property and asset intensity of industries and companies varies too widely.

Documentation of the small business impact analysis is available upon request.

Bill Sponsor Notification

The bill sponsor contact requirements do not apply.

Interested Persons

The Department of Revenue maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request, which includes the name and e-mail or mailing address of the person to receive notices and specifies that the person wishes to receive notice regarding particular subject matter or matters. Notices will be sent by e-mail unless a mailing preference is noted in the request. A written request may be mailed or delivered to the contact person in this notice or may be made by completing a request form at any rules hearing held by the Department of Revenue.

Rule Reviewer

Todd Olson

Approval

Brendan Beatty, Director of Revenue