

BEFORE THE DEPARTMENT OF REVENUE  
OF THE STATE OF MONTANA

In the matter of the repeal of ARM ) NOTICE OF PROPOSED REPEAL  
42.20.519 pertaining to property tax )  
abatements for gray water systems ) NO PUBLIC HEARING  
 ) CONTEMPLATED

TO: All Concerned Persons

1. The Department of Revenue proposes to repeal the above-stated rule.

2. The Department of Revenue 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. If you require an accommodation, contact the department no later 5:00 p.m. on September 15, 2023, to advise us of the nature of the accommodation you need. Please contact Todd Olson, Department of Revenue, Director's Office, P.O. Box 7701, Helena, Montana 59604-7701; telephone (406) 444-7905; fax (406) 444-3696; or e-mail todd.olson@mt.gov.

3. The department proposes to repeal the following rule:

42.20.519 APPLICATIONS FOR PROPERTY TAX ABATEMENT FOR  
GRAY WATER SYSTEMS

AUTH: 15-1-201, MCA

IMP: 15-24-3201, 15-24-3202, 15-24-3203, 15-24-3204, 75-5-305, 75-5-325,  
75-5-326, 75-5-327, MCA

REASONABLE NECESSITY: The department proposes to repeal ARM 42.20.519 to implement House Bill 25 (HB 25) enacted by the 68th Montana Legislature which eliminated the gray water system property tax abatement and repealed 15-24-3201 through 15-24-3204, and 15-24-3211, MCA. The 10-year tax abatement has been available to new residential and multi-residential construction since 2012; however, only one property owner ever applied and utilized the tax abatement, and that property owner will not be affected by this rule repeal because they have been grandfathered under the previous law. The department's legislative proposal in HB 25 and this administrative rule repeal carries out the agency's directive under Governor Gianforte's Red Tape Relief Initiative.

4. Concerned persons may submit their data, views, or arguments concerning the proposed action in writing to Todd Olson, Department of Revenue, Director's Office, P.O. Box 7701, Helena, Montana 59604-7701; telephone (406) 444-7905; fax (406) 444-3696; or e-mail todd.olson@mt.gov and must be received no later than 5:00 p.m., October 10, 2023.

5. If persons who are directly affected by the proposed action wish to express their data, views, or arguments orally or in writing at a public hearing, they must make written request for a hearing and submit this request along with any written comments to Todd Olson, Department of Revenue, Director's Office, P.O. Box 7701, Helena, Montana 59604-7701; telephone (406) 444-7905; fax (406) 444-3696; or e-mail [todd.olson@mt.gov](mailto:todd.olson@mt.gov) and must be received no later than 5:00 p.m., October 10, 2023.

6. If the agency receives requests for a public hearing on the proposed action from either 10 percent or 25, whichever is less, of the persons directly affected by the proposed action; from the appropriate administrative rule review committee of the Legislature; from a governmental subdivision or agency; or from an association having not less than 25 members who will be directly affected, a hearing will be held at a later date. Notice of the hearing will be published in the Montana Administrative Register. Since the department cannot accurately estimate the number of those directly affected by this rule action, the number of hearing requests necessary for the department to conduct a public hearing shall be one.

7. The department 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 that includes the name, email, and mailing address of the person to receive notices and specifies for which program the person wishes to receive notices. Notices will be sent by e-mail unless a different mailing preference is noted in the request. Such written request may be mailed or delivered to the contact person in 4 above or may be made by completing a request form at any rules hearing held by the department.

8. An electronic copy of this notice is available through the Secretary of State's web site at [sosmt.gov/arm/register/](http://sosmt.gov/arm/register/).

9. The bill sponsor contact requirements of 2-4-302, MCA, have been fulfilled. The primary bill sponsor was contacted by email on July 19, 2023, and on August 29, 2023.

10. With regard to the requirements of 2-4-111, MCA, the department has determined that the repeal of the above-referenced rule will not significantly and directly impact small businesses.

/s/ Todd Olson  
Todd Olson  
Rule Reviewer

/s/ Scott Mendenhall for  
Brendan Beatty  
Director of Revenue

Certified to the Secretary of State August 29, 2023.