

YELLOWSTONE COUNTY BOARD OF COUNTY COMMISSIONERS

Resolution No. 25- 125

**A RESOLUTION OF YELLOWSTONE COUNTY OUTLINING THE PROCEDURES
FOR TAX ABATEMENT APPLICATIONS**

WHEREAS Yellowstone County Resolution 24-100 outlines Yellowstone County's application process for tax incentives pursuant to MCA 15-24-1402 and 15-24-1501.

WHEREAS the 2023 Montana legislature passed a bill, codified as MCA 15-6-138, granting tax incentives for Class 8 equipment.

WHEREAS Yellowstone County wishes to revise the application process for tax abatements in the County. In doing so, the County seeks to supersede and replace prior resolution 24-100.

NOW, THEREFORE, BE IT RESOLVED, by the Board of County Commissioners of Yellowstone County, that it is in the public interest to encourage economic development in Yellowstone County using tax incentives for new and expanding industry as well as Class 8 equipment. Business owners in Yellowstone County are encouraged to apply to the County of Yellowstone for these tax incentives through the application process described in Exhibits A, B, and C.

BE IT FURTHER RESOLVED that this resolution supersedes and replaces Yellowstone County Resolutions 24-100.

Passed and Adopted on the ____ day of _____ 2025.

BOARD OF COUNTY COMMISSIONERS
YELLOWSTONE COUNTY, MONTANA

Mark Morse, Chair

Michael J. Waters, Member

Chris White, Member

ATTEST:

Jeff Martin, Clerk and Recorder

Attachments: Exhibits A, B, & C

EXHIBIT A

To Resolution No. 25-125

Procedures for Obtaining Property Tax Incentives Under MCA 15-24-1402

1. All Applicants for tax reductions must petition the Board of County Commissioners in writing and address the requirements and provisions outlined in this exhibit.
2. Qualifying applicants may, at the discretion of the County Commissioners, receive property tax reductions according to the following schedule:

The default initial abatement amount for this application in Yellowstone County shall be set at 50%. The Board of County Commissioners, at their discretion, can set the abatement to 75%. Starting in the 6th year of the abatement, the taxation rate will increase by equal percentages until full value is reaching in the 10th year and thereafter:

1 st through 5 th year	50% of taxable value
6 th year	60%
7 th year	70%
8 th year	80%
9 th year	90%
10 th year and subsequent years	100%

3. The definitions outlined below apply in the use of tax incentives approved by the Board of County Commissioners:
 - a. "Expansion" means that the industry has added or will add at least \$500,000 worth of qualifying improvements or modernized processes to its property within the same jurisdiction either in the first tax year in which the benefits provided for in MCA 15-24-1402 are to be received or in the preceding tax year.
 - b. "Industry" includes, but is not limited to, a firm that:
 - i. engages in the mechanical or chemical transformation of materials or substances into products in the manner defined as manufacturing in the North American Industry Classification System Manual prepared by the United States office of management and budget;
 - ii. engages in the extraction or harvesting of minerals, ore, or forestry products;
 - iii. engages in the processing of Montana raw materials such as minerals, ore, agricultural products, and forestry products;

- iv. engages in the transportation, warehousing, or distribution of commercial products or materials if 50% or more of the industry's gross sales or receipts are earned from outside the state;
 - v. earns 50% or more of its annual gross income from out-of-state sales;
 - vi. engages in the production of electrical energy in an amount of 1 megawatt or more by means of an alternative renewable energy source as defined in MCA 15-6-225;
 - vii. operates a qualified data center or dedicated communications infrastructure classified under MCA 15-6-162; or
 - viii. operates a green hydrogen facility, green hydrogen pipeline, or green hydrogen storage system as defined in MCA 15-6-163.
- c. "New" means that the firm is new to the jurisdiction approving the resolution provided for in MCA 15-24-1402(2) and has invested or will invest at least \$500,000 worth of qualifying improvements or modernized processes in the jurisdiction either in the first tax year in which the benefits provided for in MCA 15-24-1402 are to be received or in the preceding tax year.
 - d. "Qualifying" means meeting all the terms, conditions, and requirements for a reduction in taxable value under MCA 15-24-1402 and this section.
4. The Board of County Commissioners may approve an application by separate resolution for the tax treatment as provided herein, only after the applicant has completed the following:
- a. Receives a building permit or a "Certificate in Lieu of Building Permit";
 - b. Presents a completed application for tax treatment provided by the Department of Revenue (available from the County Assessor's Office) or which is attached to the Yellowstone County Application Form for Tax Reduction;
 - c. Provides proof of qualification as new or expanding industry as defined herein;
 - d. Provides proof from the Yellowstone County Treasurer's Office that all of the applicant's county taxes have been paid in full or otherwise provided for to the County Commissioner's satisfaction. Taxes paid under protest do not preclude approval.
 - e. At the time the application is submitted, the applicant must provide a notarized list of current fulltime and parttime jobs, including job titles, description of duties, and current wage range. The applicant will provide an estimate of the number of

new jobs that will be created by the new or expanded facility. This estimate must include the job titles, required job skills, salary ranges, hiring schedule, and a brief description of economic impact.

- f. At the time the application is submitted, the applicant must provide an appraisal of the business and an estimate of an anticipated future appraisal following the construction.
 - g. The applicant must have a representative appear before the Board of County Commissioners at the public hearing on the application to answer any questions or address any concerns raised by the Board of County Commissioners.
- 5. The applicant agrees, following an approval of an application, to conduct the following activities:
 - a. Within 90 days of the completion of construction, the applicant will provide an updated list of the positions created including the job titles, required job skills, salary ranges, hiring schedule, and a brief description of economic impact.
 - b. Within 90 days of the completion of construction, the applicant will offer a tour of the improvements to the Yellowstone County Board of County Commissioners.
 - c. The Applicant agrees to submit an annual report, for the duration of the abatement, that shall be mailed or submitted to both the Yellowstone County Board of County Commissioners and to Big Sky Economic Development by January 15 of each year. The report shall include the number of part-time and full-time employees, total annual payroll, and a notarized list of employees. Additional information may be required to confirm job and payroll reports.
- 6. Upon approval of the application, Yellowstone County shall notify, by certified mail, all taxing jurisdictions affected by the tax benefits.
- 7. Upon receipt of the completed application form and the approving resolution from the Board of County Commissioners, the Assessor shall make the assessment change pursuant to 15-24-1401 and 15-24-1402, MCA.
- 8. In no case may the benefit described in 15-24-1401 and 15-24-1402, MCA apply to levies or assessments required under Title 15, Chapter 10, 20-9-331, 20-9-333, or otherwise required under State law.

EXHIBIT B

To Resolution No. 25-125

Procedures for Obtaining Property Tax Incentives Under MCA 15-24-1501

1. All Applicants for tax reductions must petition the Board of County Commissioners in writing and address the requirements and provisions outlined in this exhibit.
2. Qualifying applicants may, at the discretion of the County Commissioners, receive property tax reductions, and be taxed according to the following schedule:

Construction period	0% of taxable value
1 st year following construction	20%
2 nd year following construction	40%
3 rd year following construction	60%
4 th year following construction	80%
5 th year following construction	100%
Following years	100%

3. The Board of County Commissioners may approve an application by separate resolution for the tax treatment as provided herein, only after the applicant has completes the following:
 - a. Presents a completed application for Tax Reduction-Building Remodel, Expansion or Reconstruction.
 - i. As part of the application, building site plans/drawings shall be completed and submitted to the Yellowstone County Commissioners prior to construction beginning. Failure to submit prior to construction beginning may preclude approval.
 - ii. Project remodel/reconstruction/expansion must meet all applicable County/City zoning criteria, building codes, ordinances, resolutions, or statutory requirements.
 - b. Provides proof from the Yellowstone County Treasurer's Office that all of the applicant's county taxes have been paid in full or otherwise provided for to the County Commissioner's satisfaction. Taxes paid under protest do not preclude approval.
 - c. At the time the application is submitted, the applicant must provide a notarized list of current fulltime and parttime jobs, including job titles, description of duties, and current wage range. The applicant will provide an estimate of the number of new jobs that will be created by the new or expanded facility. This estimate must

include the job titles, required job skills, salary ranges, hiring schedule, and a brief description of economic impact;

- d. At the time the application is submitted, the applicant must provide an appraisal of the business and an estimate of an anticipated future appraisal following the construction.
 - i. Applications made pursuant to MCA 15-24-1501 must show an increase in taxable value by at least two and one half (2.5) percent and must have project construction costs of at least \$500,000.
 - e. The applicant must have a representative appear before the Board of County Commissioners at the public hearing on the application to answer any questions or address any concerns raised by the Board of County Commissioners.
9. The applicant agrees, following an approval of an application, to conduct the following activities:
- a. Within 90 days of the completion of construction, the applicant will provide an updated list of the positions created including the job titles, required job skills, salary ranges, hiring schedule, and a brief description of economic impact.
 - b. Within 90 days of the completion of construction, the applicant will provide a written statement affirming that the cost of the project exceeded \$500,000.
 - c. Within 90 days of the completion of construction, the applicant will offer a tour of the improvements to the Yellowstone County Board of County Commissioners.
 - d. The Applicant agrees to submit an annual report, for the duration of the abatement, that shall be mailed or submitted to both the Yellowstone County Board of County Commissioners and to Big Sky Economic Development by January 15 of each year. The report shall include the number of part-time and full-time employees, total annual payroll, and a notarized list of employees. Additional information may be required to confirm job and payroll reports.
4. Upon approval of the application, Yellowstone County shall notify, by certified mail, all taxing jurisdictions affected by the tax benefits.
5. Upon receipt of the completed application form and the approving resolution from the Board of County Commissioners, the Assessor shall make the assessment change pursuant to 15-24-1501 and 15-24-1502, MCA.
6. In no case may the benefit described in 15-24-1501 and 15-24-1502, MCA apply to levies or assessments required under Title 15, Chapter 10, 20-9-331, 20-9-333, or otherwise required under State law.

EXHIBIT C

To Resolution No. 25-125

Procedures for Obtaining Property Tax Incentives On Class 8 Equipment Pursuant to MCA 15-6-138

1. All Applicants for tax reductions pursuant to MCA 15-6-138 must petition the Board of County Commissioners in writing and address the requirements and provisions outlined in this exhibit. Applications can be located on the Montana Department of Revenue's website.
2. The intent of this abatement is to provide tax relief for new equipment directly related to the construction, or manufacturing process. The intent is not to include equipment that is deemed "overhead" in nature.
3. Pursuant to MCA 15-6-138, manufacturing machinery, fixtures, and equipment installed and placed in service after December 31, 2022, are exempt or partially exempt from taxation for a period of 5 years starting from the later of the date they were placed in service or October 1, 2023, after which the exemption amount allowed under subsection (6)(d) is phased out at a rate of 20% of the amount allowed by the governing body a year, with the property being assessed at 100% of its taxable value after a 10-year period.
4. Yellowstone County requests that, as part of the application, the applicant provide a detailed asset list indicating, (1) the name of each asset; (2) a description of each asset; (3) the cost of each asset; and (4) the date each asset was purchased.
5. Yellowstone County that a representative of the applicant appear at the public hearing on the application to answer any questions from the Board.
6. The abatement amount for qualifying applicants in Yellowstone County may be set at either 80, 90, or 100 percent at the discretion of the County Commissioners.