



THE SESSION & YOUR MISSION

HOW MONTANA'S NEWEST LAWS IMPACT NONPROFITS

Introduction

The 2025 Montana Legislative Session wrapped up with several new laws that will shape the landscape for nonprofits in our state. This guide highlights the bills that passed and explains how they may affect your work—whether through contracts and grants, charitable giving, nonprofit-government relations, tax treatment, or the everyday practices that keep organizations running.

We also spotlight legislation touching on broader workforce issues—like housing, childcare, and healthcare—that directly impact the people powering Montana's nonprofit sector. Our goal is to give you a clear, nonprofit-focused lens on the session so you can stay informed, prepared, and focused on your mission.

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Disclaimer: This guide includes MNA's informed interpretation of these bills, but we are not attorneys and this guide does not constitute legal advice. Consult an attorney if you are unsure of the impact of a specific law on your organization.



Table of Contents

- Charitable Giving3**
 - HB 141 – Revise laws relating to raffles conducted by certain nonprofit entities to allow credit cards..... 3
 - SB 134 – Generally revise laws relating to gifts and endowments..... 4

- Contracts and Grants5**
 - HB 627 – Revise Reporting Requirements Related to Public Contracts 5
 - HB 756 – Revise Criteria for Historic Grant Preservation Program 6
 - HB 757 – Revise Criteria for Cultural and Arts Grant Program..... 7
 - SB 564 – Revise Government Transparency Laws..... 8
 - HJ 28 – Interim Study to Identify and Improve Access to Federal Grant Opportunities for the State of Montana, Tribal Governments, and Local Government Entities 9
 - HJ 42 – Interim study on procurement, no-bid contracts, and transparency on no-bid purchases..... 10

- Housing, Childcare, Healthcare 11**
 - HB 245 – Extend the Montana HELP Act sunset and revise helplink workforce development laws..... 11
 - HB 601 – Create Online Portal For Community Assistors Related to Medicaid..... 12
 - HB 924 – Generally Revise State Finance Laws (GO Trust)..... 13
 - HB 931 – Allow for Nonprofit Development and Management of Attainable Workforce Housing on State Lands14
 - SB 560 – Provide for a Hospital Community Benefit Fee 15

- Nonprofit - Government Relations / Tax Treatment..... 16**
 - HB 29 – Revise Administration of Property Tax Exemptions..... 16
 - HB 100 – Generally Revise Public Record Laws 17
 - HB 656 – Revising the Fund Structure and Use of Employment Security Account 18
 - HB 920 – Provide property tax exemption for senior care facilities and housing 19
 - SB 104 – Expanding access to low-cost capital to certain eligible projects and entities 20

- Nonprofit Practices21**
 - HB 121 – Provide Privacy in Certain Restrooms, Changing Rooms, and Sleeping Quarters..... 21
 - HB 665 – Preclude non-profit officers from personal liability for unpaid tax withholding 23
 - SB 224 – Create Indigenous Peoples Day 24
 - SB 297 – Generally Revise Privacy Laws 25

Charitable Giving

HB 141 – Revise laws relating to raffles conducted by certain nonprofit entities to allow credit cards

Sponsor: Buttrey, Ed (R) – HD 21

HB 141 allows Montana nonprofits, colleges, universities, and school districts to accept credit cards for the sale of raffle tickets. The bill updates state gambling rules to make an exception for these groups, while keeping safeguards in place: 1. Raffle proceeds must go toward charitable purposes or to pay for raffle prizes, not toward administrative costs of conducting the raffle. 2. Credit gambling is still prohibited in all other gambling contexts. Nonprofit raffles may be advertised online, but tickets can only be sold online if it is allowed in the buyer's state. Nonprofits in Montana are required to register with the state before selling tickets online.

Legally Required Actions:

1. If selling tickets online, organizations must register with the Montana Department of Justice by submitting [Form 46](#) – Nonprofit Online Raffle Registration Form.
2. Proceeds can only be used for charitable purposes or to pay for raffle prizes, not toward administrative costs of conducting the raffle.

Recommended Actions:

1. Nonprofits should review and update internal policies to ensure they reflect rules about prize ownership, credit card acceptance, and use of proceeds.
2. Nonprofits should maintain documentation of raffle expenses, prize ownership, and how proceeds are used.
3. Nonprofits should take advantage of this new opportunity provided by the bill and consider accepting credit cards as a payment method for raffles.

Effective date: 6/01/2025

Additional Resources:

Montana DOJ Gambling Control Division [updated Raffle Guidelines](#) and [Nonprofit Fundraising Guide](#).

The [Montana Lions Club reports](#) that HB 141 allows them to accept credit cards for online raffles, calling it a “win for service, flexibility, and common sense.”

“The impacts of this policy change will not only be financial support, but a huge increase in awareness as well. It is wonderful to make this change.”

Wendy Rispens, Special Olympics Montana

[Read the rest of our conversation with Wendy here.](#)

SB 134 – Generally revise laws relating to gifts and endowments

Sponsor: Hertz, Greg (R) – SD 7

SB 134 creates additional legal protections for donors who contribute to endowments held by charitable organizations. The bill specifies that charitable organizations must adhere to donor-imposed restrictions (already a legal and ethical responsibility of nonprofits) and provides standing for donors or their legal representatives to take legal recourse in cases of violation. The bill applies retroactively to endowment agreements entered into since January 1, 1975. If a donor perceives a violation of intent, the donor or their specified legal representative can take legal action within 3 years of identifying the violation. If a court finds that a charitable organization has violated a donor-imposed restriction, it can order remedies aligned with the charitable purposes of the agreement but cannot mandate the return of funds to the donor. The law does not alter the charitable organization's ability to request modification of a donor-restriction through the processes permitted by UPMIFA or the endowment agreement itself.

Legally Required Actions:

1. When a donor contributes to an endowment fund with specific written restrictions, the organization is legally required to honor those terms. Courts can interpret and enforce the agreement, including modifying terms consistent with the original intent.
2. If the organization cannot fulfill a term of the endowment agreement, then it must provide the donor or their legal representative with written notice and should offer an alternative solution that closely matches the original restriction.

Recommended Actions:

1. Document all endowment gifts clearly and thoroughly. Use a written endowment agreement that outlines donor-imposed restrictions and both parties' expectations.
2. Charitable organizations can proactively seek legal guidance if there is a dispute or uncertainty about the terms of an endowment gift.

Effective date: Effective immediately upon passage and approval

Additional Resources:

[Article on Montana's new law](#) and comparison to similar bills in other states.

[Understanding endowments](#) from the National Council on Nonprofits.

Contracts and Grants

HB 627 – Revise Reporting Requirements Related to Public Contracts

Sponsor: Mercer, Bill (R) – HD 52

HB 627 requires every Montana state agency to keep the Legislature informed about any large purchase of goods or services, defined as \$200,000 or more over the life of a contract. Agencies will report quarterly to the Department of Administration the basics of who is soliciting for a contract, what they intend to procure through the contract, how much it will cost, the contractor, and key dates. The Department will compile that information into a written report for the Legislative Finance Committee on March 1, June 1, September 1, and December 1. Beginning July 1, 2026, the reports will include additional information such as where the funds are budgeted within the agency's budget.

Legally Required Actions:

None by nonprofits

Recommended Actions:

1. If a nonprofit contracts with the state and the contract exceeds \$200,000, the nonprofit's name and certain contract details will be included in the report provided to the Legislative Finance Committee. Reporting responsibility falls on the state agency, not the nonprofit.
2. Ensure your financial records and public communications regarding state contracts are consistent and accurate.
3. Review the quarterly reports provided to the Legislative Finance Committee to understand who the state is contracting with in areas related to your mission area.

Effective date: 07/01/2025, Section 2 (more detailed reports): 07/01/2026

Additional Resources:

[Montana State Procurement Services Division](#) for information on how the state purchases goods and services, as well as guidance on how to become a state vendor, bid opportunities, procurement policy manuals, and contact info.

[Legislative Finance Committee](#) will receive and review reports mandated by HB 627.

HB 756 – Revise Criteria for Historic Grant Preservation Program

Sponsor: Fitzpatrick, John (R) – HD 76

HB 756 changes how grants are awarded through the Historic Preservation Grant Program. New guidelines consider things such as how well a project protects a building's structure and utility systems like its roof, foundation, plumbing, and heat, how much economic activity or job creation it brings to local communities, and whether it improves safety features like climate control or fire protection. Projects are required to provide a significant level of public access, replacing previous criteria allowing only private benefit. Additionally, projects will be evaluated based on how ready they are to begin, their historical significance to Montana, the applicant's experience, and how much local support they have through match funding (required only for for-profit entities).

Notes for Nonprofit Applicants:

- All funded projects must ensure that a significant portion of the facility is open to the public. Projects that offer only a “limited public benefit” are not eligible.
- For-profit applicants must provide a 1:1 funding match. Nonprofits are not subject to this matching requirement, but local contributions are viewed favorably in the application process.

Recommended Actions:

1. Organizations interested in applying for funding should ensure your project offers strong public benefit and aligns with the new criteria. Highlight public access, building protection, and historical value in your proposal.
2. Follow the Department of Commerce's rulemaking process to stay updated on program requirements.

Effective date: 10/01/2025

Additional Resources:

Montana [Department of Commerce program overview](#) of the Montana Historic Preservation Grant.

[Montana State Historic Preservation Office](#) offers guidance on identifying and preserving historic properties and may assist in preparing project documentation.

[Daily Interlake article](#) on HB 756 and HB 757, both of which impact eligibility criteria for state grant programs.

HB 757 – Revise Criteria for Cultural and Arts Grant Program

Sponsor: Fitzpatrick, John (R) – HD 76

HB 757 revises the process for awarding cultural and aesthetic project grants. The Cultural and Aesthetic Projects Advisory Committee will prioritize applicants based on two main criteria: their previous grant history and the size of their annual operating budget. Priority is given to organizations that have received fewer grants in the past and to those with smaller budgets, with inflation adjustments to the budget thresholds between funding cycles. Additionally, the bill allows small, non-federally funded applicants with program budgets under \$100,000 to request a waiver from the requirement to obtain a federal System for Award Management “SAM” number, reducing administrative burdens.

Notes for Nonprofit Applicants:

Advisory committee will prioritize grant applications based on the applicant’s annual operating budget and past grant history:

Applicants Past Grant History:

- 1st priority: Applicants who have never received a grant
- 2nd priority: Applicants who received one grant in the past three funding cycles.
- 3rd priority: Applicants who received two grants in the past three funding cycles.
- 4th priority: Applicants who received three grants in the past three funding cycles.

Applicants Annual Operating Budget:

- 1st priority: Budgets under \$99,999
- 2nd priority: Budgets \$100,000–\$249,999
- 3rd priority: Budgets \$250,000–\$499,999
- 4th priority: Budgets \$500,000 or more

Recommended Actions:

1. Nonprofits interested in the cultural and aesthetic program grants should review the new prioritization criteria when considering an application.
2. Nonprofits with budgets under \$100,000 that do not use federal funds may request a waiver from the federal SAM number requirement.

Effective date: 10/01/2025

Additional Resources:

[Montana Arts Council](#) shares guidelines, deadlines, and application support for cultural and aesthetic projects. Includes past awarded projects and technical assistance contacts.

[Montana Free Press article on HB 9](#), the bill allocating the cultural and aesthetic project grants, and the challenges surrounding awards in 2025.

SB 564 – Revise Government Transparency Laws

Sponsor: Bogner, Kenneth (R) – SD 18

SB 564 requires the Department of Administration to create and manage a public website to make state spending more transparent and accessible. The site will include details on every payment made by state agencies, including who was paid, what the payment was for, and how much was spent. The law also reinforces that procurement records are public information and must be properly stored and maintained under state record-keeping rules.

Legally Required Actions:

None for nonprofits

Recommended Actions:

1. If you contract with the State of Montana, check payments made to your organization to confirm accuracy. Ensure your records like invoices, contracts, and reports align with what publicly available information to avoid errors or discrepancies.
2. Use the website to stay informed about how organizations with similar missions are contracting with the state.
3. Use the website as a tool to identify potential state funding or contracting opportunities.

Effective date: 10/01/2025

Additional Resources:

Montana [State Procurement Services Division](#) website includes various resources for state contractors and vendors.

[State of Montana Procurement Manual](#) outlines the full procurement lifecycle along with upcoming changes for 2025.

HJ 28 – Interim Study to Identify and Improve Access to Federal Grant Opportunities for the State of Montana, Tribal Governments, and Local Government Entities

Sponsor: Muszkiewicz, Luke (D) – HD 79

House Joint Resolution 28 calls for a study on how state, tribal, and local governments can better access federal grant funding. Many federal funding opportunities go unused, often because smaller communities lack the staff or resources to find and apply for them. HJ 28 asks an interim committee to look at which federal grants have been available to Montana entities since 2020, which ones are being utilized and which are being overlooked or underutilized, and why. It also calls for recommendations to help more communities successfully apply for funding and to investigate any disparities that may be faced by tribal and rural government entities in seeking federal grant opportunities. The study will likely involve input from local, state, tribal, and federal stakeholders.

The study has been assigned to the Local Government Interim Committee. The committee will determine the structure and resources available to conduct this study.

What Nonprofits Should Pay Attention To:

1. Consider current federal funds available through state, local, or tribal governments. What federal funds support your work? What gaps exist? Are there federal funding opportunities you are aware of that Montana has not pursued?
2. Track the study's progress by monitoring interim committee reports and meetings. Provide public comment to the committee to share your recommendations, experience, or insights.
3. Does your local legislator serve on the [Local Government Interim Committee](#)? Talk to them about the impact of federal funds in your community and the importance of bringing those funds into Montana.
4. Identify opportunities to partner with state, tribal, or local government partners to implement any tools, recommendations, or resources that result from the study.

All aspects of the study, including presentation and review requirements, to be concluded prior to 09/15/2026.

Additional Resources:

[Local Government Interim Committee](#) page to find committee members, meeting dates, materials, agendas, and more.

[Watch live or recorded](#) committee meetings by clicking on the date of the meeting you want to watch.

HJ 42 – Interim study on procurement, no-bid contracts, and transparency on no-bid purchases

Sponsor: Edwards, Becky (D) – HD 61

House Joint Resolution 42 calls for a study of how state agencies handle procurement, or the process of contracting with organizations and vendors to provide goods and services for the state of Montana. The resolution asks an interim committee to review current laws, agency procedures, and a sample of contracts from the past four years. The goal is to increase accountability and transparency in the procurement process, including for “no-bid” purchases, which do not require a public request for bids. The committee working on the interim study will also look for ways to improve accountability across state agencies and involve some input from stakeholders.

HJ 42 has been assigned to the Legislative Audit Committee. The committee will determine the structure and resources available to conduct this study.

What Nonprofits Should Pay Attention To:

1. If your nonprofit contracts with (or is interested in contracting with) state agencies to provide programs or services, the study could lead to improved transparency and easier access.
2. Track the study’s progress by monitoring interim committee reports and meetings. Provide public comment to the committee to share your recommendations, experience, or insights.
3. Does your local legislator serve on the [Legislative Audit Committee](#)? Talk to them about how state contracting and the procurement process is working for your organization.

All aspects of the study, including presentation and review requirements, to be concluded prior to 09/15/2026.

Additional Resources:

[Legislative Audit Committee](#) page to find committee members, meeting dates, materials, agendas, and more.

[Watch live or recorded](#) committee meetings by clicking on the date of the meeting you want to watch.

Procurement forms and guides from the [State Procurement Services Division](#).

Housing, Childcare, Healthcare

HB 245 – Extend the Montana HELP Act sunset and revise helplink workforce development laws

Sponsor: Buttrey, Ed (R) – HD 21

HB 245 revises and extends provisions of the Healthy Montana Health and Economic Livelihood Partnership Act (Montana HELP Act), authorizing Montana’s Medicaid expansion program. Critically, the bill lifts the sunset on Montana’s Medicaid expansion, continuing the program in Montana. The bill also includes provisions related to the HELP Act’s workforce development program, including allowing the Department of Labor and Industry (DLI) to directly assist program participants, replacing the previous requirement to contract with private entities. The bill requires DLI to provide workforce development services that consider barriers to employment.

Legally Required Actions:

None for nonprofits

Recommended Actions:

1. If you serve people potentially eligible for health coverage through Medicaid expansion, encourage them to reach out to [Department of Public Health and Human Services](#) to learn more and apply.
2. Develop partnerships with community-based organizations and state agencies like the DLI and DPHHS, local job service offices, and other service providers to provide outreach and assistance.
3. Share stories of Medicaid in your community and the impacts of the community engagement / work requirements with program administrators and policymakers.

Effective date:

Continuation of Medicaid expansion: Immediately upon bill passage and approval
Modifications to workforce provisions: 10/01/2025

Additional Resources:

[What is Medicaid expansion in Montana](#) from Montana Budget and Policy Center.

[2025 Report: Medicaid Expansion Economic Effects](#) from the Montana Healthcare Foundation.

The passage of H.R. 1 (the “Big Bill”) by Congress mandates Medicaid work reporting requirements in all states effective January 1, 2027. Montana is seeking [a waiver](#) to implement the requirements, as well as premiums and co-pays for Medicaid expansion enrollees, even sooner.

HB 601 – Create Online Portal For Community Assisters Related to Medicaid

Sponsor: Howell, SJ (D) – HD 100

HB 601 allows designated community assisters (individuals or organizations that help people apply for Medicaid) to help applicants and enrollees manage their Medicaid coverage. By May 1, 2026, an online portal must allow assisters to help with actions such as viewing notices from the department, checking application or redetermination status, reporting changes, and updating contact information. Additionally, the portal may allow assisters to submit an application on behalf of an applicant or upload verification documents. Medicaid applicants or enrollees will be able to designate assisters to act on their behalf.

Legally Required Actions:

Community assisters, which may include nonprofit organizations, have no additional legal duties beyond being formally designated by a Medicaid applicant or enrollee to act on their behalf, via the portal, and using the portal to perform tasks like reviewing application status, reporting changes, or other actions allowable through the portal.

Recommended Actions:

1. If your organization works with individuals likely eligible for Medicaid, consider acting as a community assister for Medicaid.
2. Build relationships with other organizations in your community who are serving as community assisters. Let your clients and community know where assistance is available.

Effective date: 10/01/2025

Additional Resources:

[DPHHS Medicaid website](#) for updates on the community assistor portal.

[Montana Primary Care Association](#) offers support to health centers and community assisters, including trainings, policy updates, and toolkits for Medicaid outreach.

[Apply.mt.gov](#) is the existing self-service portal for individuals to apply for Medicaid or access their account.

HB 924 – Generally Revise State Finance Laws (GO Trust)

Sponsor: Jones, Llew (R) – HD 18

HB 924 establishes the Montana Growth & Opportunity Trust (GO Trust), a permanent fund that channels a portion of the state’s volatile revenue, such as capital gains and investment income, into long-term investments and public programs. The fund receives initial transfers from the general fund in FY25-FY27, and transfers of volatile revenue beginning in FY28. Revenue is split between reinvestment in affordable housing and pension stabilization, and distributions of interest earnings into state special revenue accounts for early childhood, bridge and water system improvements, and property tax relief. Under certain conditions, the governor can reduce or eliminate flows of volatile revenue into the GO Trust, including in the event of a projected general fund budget deficit.

“This is really the first time that we as a state have a source of funding for affordable and attainable housing that is going to be consistently invested in year after year.”

Kaia Peterson, NeighborWorks Montana

[Read the rest of our conversation with Kaia here.](#)

Notably for nonprofits, the bill creates the Montana Housing Trust to consolidate and expand housing-related programs, providing loans for the development of affordable housing. Loan repayments will remain in the trust, creating a sustainable funding source. The bill also establishes the Montana Early Childhood Account, making long-term, strategic investments in early childhood services.

Further, HB 924 expands allowable purposes for the state’s special revenue Debt and Liability Free account, including the replacement of rescinded federal funds.

Legally Required Actions:

Nonprofits will have legal obligations when receiving funding or participating in programs funded by the GO Trust. Requirements will vary by program.

Recommended Actions:

1. Nonprofits should follow the development of grant and loan programs and assess whether they qualify for funding opportunities under HB 924 in areas such as affordable housing and early childhood.
2. Document the impacts of new funding and programs provided through HB 924 on access to affordable housing and early childhood services in Montana. Share data and stories to demonstrate local impacts, successes, or challenges.

Effective date: 06/19/2025

Additional Resources:

[Montana Board of Investments](#) oversees the GO Trust and publishes policy documents, including the [Montana Growth and Opportunity Trust Investment Policy Statement](#), which helps nonprofits understand the financial framework and expectations tied to the funding.

[Summary of HB 924](#) from the Legislative Fiscal Division. | [Overview of the GO Trust](#) from Montana Budget and Policy Center. | [Statement from Montana Zero to Five](#) on the passage of HB 924, as well as links to one-pagers and other resources on the investments of HB 924 in early childhood.

HB 931 – Allow for Nonprofit Development and Management of Attainable Workforce Housing on State Lands

Sponsor: Schomer, Curtis (R) – HD 48

HB 931 authorizes the development of attainable workforce housing by nonprofits under a state land lease. The bill expands the definition of eligible commercial leasing to include single-family or multi-family residential development authorized under a lease with a nonprofit.

Legally Required Actions:

1. Nonprofits can now enter into master leases with the state to develop single-family or multifamily housing on state trust land, for the purpose of developing attainable workforce housing.
2. Housing must qualify as “attainable workforce housing” as defined in existing law, Section [90-6-143](#) MCA.

Recommended Actions:

Affordable housing nonprofits can review the definition of “attainable workforce housing” under Montana law to see if your housing project qualifies and determine whether your organization is positioned to act as a lessee for state trust land, either independently or in partnership.

Effective date: 10/01/2025

Additional Resources:

DNRC’s [Trust Lands Management](#) for an overview of how state trust lands are used and leased.

DNRC’s [Commercial Development and Surface Leasing & Licensing](#) pages for current RFPs, the lease process, fees, term lengths, and grant/loan programs linked to development.

[Montana Community Reinvestment \(MCR\)](#) planning grants offer up to \$30K to support local attainable housing planning, zoning, feasibility studies, and more.

SB 560 – Provide for a Hospital Community Benefit Fee

Sponsor: Regier, Matt (R) – SD 5

SB 560 establishes new reporting requirements for nonprofit hospitals on their community benefit spending and introduces a mechanism to assess a fee to nonprofit hospitals if their total community benefit spending does not exceed the potential property tax liability they would have incurred if they were not tax-exempt. Money collected through this fee will go into a special fund to support rural critical access hospitals across the state. The law also requires nonprofit hospitals to have clear, publicly available policies on financial assistance and community benefit programs.

Legally Required Actions:

1. Nonprofit hospitals will report detailed information about their community benefit spending including charity care, subsidized services, and public health efforts to the Montana Department of Public Health and Human Services.
2. If a nonprofit hospital's community benefit spending doesn't meet or exceed its potential property tax liability as calculated by the Department of Revenue, it must pay a fee equal to the difference.
3. Nonprofit hospitals are required to have publicly available policies on financial assistance that align with federal and state standards and community benefit programs.

Recommended Actions:

1. Community organizations can partner with nonprofit hospitals on Community Health Assessments, which help healthcare providers understand community health needs and inform decision making.
2. Stay informed about how funds from the new special revenue account supporting rural critical access hospitals will be distributed in Montana, especially if you partner with or support rural health providers.
3. Nonprofit hospitals may look for new community benefit investments, presenting an opportunity to partner on health equity, outreach, and public wellness efforts.

Effective date: 01/01/2027

Additional Resources:

Montana Healthcare Foundation [list of Community Health Assessments](#).

[DPHHS Community Health Assessment guide](#), 2024.

[KFF article](#) on Montana's efforts to increase transparency around community benefit spending.

Nonprofit - Government Relations / Tax Treatment

HB 29 – Revise Administration of Property Tax Exemptions

Sponsor: Essmann, Sherry (R) – HD 49

HB 29 updates Montana’s property tax laws by requiring the Department of Revenue to review exempt properties at least once every eight years. The Department is required to report every two years to the state’s revenue interim committee on many properties were reviewed, what types of exemptions were involved, how many were approved or denied, and the estimated market and taxable value of those exemptions. The bill requires the Department to maintain a public, searchable database that includes a county-by-county map of exempt properties, with details like the property owner’s name and address, the property’s legal description and size, and the type of exemption.

Legally Required Actions:

None for nonprofits

Recommended Actions:

1. Review your current property tax exemptions and confirm that your exemption, if you have one, is still valid and compliant with Montana law.
2. Review the Department’s online database for your organization’s property. Check for accuracy and contact the Department to correct any errors.
3. If you own tax exempt property, gather key records supporting your exemption, such as an IRS 501(c)(3) determination letter, articles of incorporation and bylaws, evidence of charitable use of the property and keep these documents easily accessible in the event of a review.

Effective date: 10/01/2025

Additional Resources:

[Property Assessment Division property tax exemption database](#) may be updated or replaced to comply with additional components required by HB29.

[Deep-dive legislative audit from September 2023](#) detailing past weaknesses in exemption tracking, and recommending systematic reviews, site visits, and better data quality.

Though predating HB 29, this [property tax exemption overview](#) highlights the exemption application processes, eligible nonprofit categories, and best practices for compliance.

HB 100 – Generally Revise Public Record Laws

Sponsor: Mercer, Bill (R) – HD 52

HB 100 updates and standardizes the state’s public records laws. The bill establishes deadlines for responding to public information requests: agencies must acknowledge receipt of the request within 5 business days and fulfill most requests within 90 days, or up to 6 months with written explanation. The bill sets a 2-year retention requirement for requests and agency responses, and mandates agencies publish request procedures and statistics online beginning in November 2026. The bill creates a \$5 filing fee for complex public information requests (information that is not readily available) and outlines fees for fulfilling requests. In most cases, the first of service is free, with fees after the first hour capped at \$25/hour for gathering, researching, and providing information. Requests may incur additional fees based on the actual costs of the request to the agency. The bill allows individuals to file complaints in district court if agencies fail to meet response deadlines.

Legally Required Actions:

None for nonprofits

Recommended Actions:

1. Is there information from the state that would help you do your work? Excluding information that is confidential, privileged, or otherwise protected, information contained by the state is public information – you just may have to ask for it. Submit requests to the [Montana Office of Public Information](#).
2. Know your rights, including the timelines and fees included in HB 100. If these requirements aren’t met, requesters can file a complaint in district court, and agencies may be held liable for attorney’s fees.

Effective date: 10/01/2025 for most provisions; certain sections are effective 07/01/2026

Additional Resources:

[Montana Freedom of Information Hotline](#) provides free legal guidance on public information and open records issues.

Constitution of the State of Montana, Article II, Part II, Section 9 [“Right to Know”](#), the foundation for the public’s right to access government documents.

HB 656 – Revising the Fund Structure and Use of Employment Security Account

Sponsor: Walsh, Ken (R) – HD 69

HB 656 broadens how the state can use money from its Employment Security Account to reach a wider range of programs, including community service, civil rights enforcement, education and job training, and reentry services for people leaving incarceration. It also moves the Office of Community Service from the Governor’s Office to the Department of Labor and Industry. The Office’s mission is intended to remain focused on encouraging civic engagement and volunteerism, especially among youth and older Montanans.

Legally Required Actions:

None for nonprofits

Recommended Actions:

1. Continue to engage with the Office of Community Service as a resource for civic engagement, volunteerism, and public service in Montana.
2. Nonprofits in education, reentry, civil rights, or community service should monitor the Department of Labor and Industry for new partnership opportunities supported by the expanded Employment Security Account.

Effective date: 10/01/2025

Additional Resources:

[Department of Labor and Industry](#) will oversee the Office of Community Service and administer funding streams. Nonprofits can visit the site for workforce development programs, grant info, and community service updates.

[Office of Community Service](#) promotes civic engagement, volunteerism, and service learning. Nonprofits interested in AmeriCorps, volunteer coordination, or public service opportunities should check here regularly for resources and opportunities.

HB 920 – Provide property tax exemption for senior care facilities and housing

Sponsor: Regier, Amy (R) – HD 6

HB 920 creates a temporary property tax exemption available for the construction of senior care and housing developments by nonprofit entities. To qualify for the exemption, a housing or senior care nonprofit must petition their local government to demonstrate a need for the project. If the project is approved, the nonprofit can then apply to the Montana Department of Revenue for a property tax exemption. The exemption can last up to five years, with a possible renewal. Eligible projects include a range of senior living options, such as independent living, assisted living, memory care, or hospice, and can also include up to 20% of the property for related commercial services.

Legally Required Actions:

1. Eligible senior care or housing nonprofits can apply for approval of tax-exempt status during the development of their projects. Interested entities must file a petition with the appropriate local government to seek preapproval for a property tax exemption.
2. Local government is required to hold a public hearing to assess the need for the project, and if the local governing body finds there is a “compelling need,” it must pass a resolution of approval.
3. After local approval, the nonprofit must submit a property tax exemption application to the Montana Department of Revenue within 2 years.
4. To maintain eligibility, the property must operate in compliance with Montana nonprofit law and continue to be used for senior care and housing, otherwise the exemption automatically ends.

Recommended Actions:

1. Nonprofits developing senior care or housing projects should consider eligibility for a property tax exemption.
2. Prepare any data or narratives that show demand for senior housing or care in the area, and include community impact, expected outcomes, and how the project meets unmet needs.

Effective date: Applies to property tax years beginning after 12/31/2025

Additional Resources:

[Fiscal note for HB 920](#) notes that there are no known developments meeting this criteria and no guarantee that local governments will approve an application; therefore, fiscal impacts are unknown.

SB 104 – Expanding access to low-cost capital to certain eligible projects and entities

Sponsor: Lammers, Gayle (R) – SD 21

SB 104 expands access to low-cost capital for nonprofit organizations and other public-benefit facilities in Montana. SB 104 expands the types of facilities eligible to access bond financing through the Montana Facility Finance Authority to include all types of 501(c)(3) nonprofits. Additionally, the bill increases the Montana Facility Finance Authority's total bond issuance cap from \$500 million to \$1.5 billion for the biennium. Beginning in 2027, this cap will automatically adjust every two years to account for inflation with an increase of 3%.

Legally Required Actions:

None for nonprofits

Recommended Actions:

1. Nonprofits developing large scale projects should assess whether their project qualifies as an "eligible facility" for bond financing under the updated law.
2. Reach out to the [Montana Facility Finance Authority](#) (part of the Montana Department of Commerce) to learn more about this new opportunity.

Effective date: Immediately upon passage and approval of the bill

Additional Resources:

[Press release from the Montana Department of Commerce](#) highlighting the economic and community benefits of expanding access to bond financing through the Montana Facility Finance Authority.

HB 121 – Provide Privacy in Certain Restrooms, Changing Rooms, and Sleeping Quarters

Sponsor: Seekins-Crowe, Kerri (R) – HD 39

HB 121 requires public schools, correctional centers, domestic violence shelters, and government buildings to designate multi-user restrooms, changing rooms, and sleeping areas for use by either males or females. People must use the facilities that match their assigned sex at birth, according to the bill’s definitions, with a few exceptions for things like emergency services, maintenance, or helping young children or people with disabilities. The bill allows for single-use or family restrooms as alternatives.

The bill creates new legal liability for regulated facilities, allowing someone who uses a facility and encounters someone of the opposite sex, including a transgender individual using a facility consistent with their gender identity, to take legal action against the institution. The bill enables lawsuits for injunctive relief, nominal damages, and attorney fees within two years of an alleged violation.

HB 121 effectively bars transgender and intersex people from using restrooms and other sex-separated facilities that correspond to their gender identity in public spaces.

Following passage of HB 121, a lawsuit was filed immediately on behalf of a group of transgender and intersex Montanans challenging the bill as violating numerous provisions of the Montana Constitution. A judge granted a preliminary injunction preventing the state from implementing HB 121 while the lawsuit challenging the bill continues.

“A problem for us with this bill is that it requires the separation of genders even within a family, which is completely not doable for us. We are not going to make a young boy stay separate from his mom.”

Kelsen Young, Montana Coalition Against Domestic and Sexual Violence

[Read the rest of our conversation with Kelsen here.](#)

Legally Required Actions: [Currently on hold due to ongoing lawsuit]

1. Impacted facilities must label any multi-stall restrooms, multi-user changing areas, and shared sleeping quarters as either “male-only” or “female-only.”
2. Only individuals whose sex is biologically female or biologically male according to the bill’s definitions may use the corresponding facilities, with very limited exceptions.
3. Impacted facilities must take “reasonable steps” to ensure individuals have privacy from members of the opposite sex in these spaces.
4. Many organizations, especially those without single-occupancy alternatives, will need to renovate to create single-use restrooms and changing rooms or assign designated sleeping areas by sex.

Recommended Actions:

1. Review internal policies that define how facilities are assigned and labeled, outline procedures, and detail how to handle client concerns respectfully while complying with the

law. Ensure your policy distinguishes between compliance and discrimination, documenting good-faith efforts to balance legal duties and ethical care.

2. Consult a legal expert familiar with Montana civil rights and nonprofit law to review your policies and physical spaces.
3. Educate employees, volunteers, and contractors on the requirements of HB 121, the facility's policies and procedures, and how to handle client questions or conflicts with sensitivity and legal awareness.
4. Inform your community and lawmakers about how the law is affecting your operations and your ability to balance safety, inclusivity, and legal compliance.

Effective date: 03/27/2025*

**Implementation of HB 121 halted and unenforced due to ongoing litigation from the ACLU Montana in Perkins et al. v. State of Montana*

Additional Resources:

[ACLU Montana lawsuit](#) against HB 121, Perkins et al. v. State of Montana.

[KPAX news coverage](#) on temporary restraining order extended against HB 121 while the ACLU lawsuit is pending.

The MUS issued [detailed guidance to all campuses](#) on how to comply with HB 121, including facility assessments, updating signage like male/female labels, and ensuring privacy measures are in place.

[Montana Free Press in-depth](#) article offers context and perspectives on challenges faced by shelters, municipalities, and schools—including facility redesign concerns, timeline delays, and legal risks.

[Montana Coalition Against Domestic and Sexual Violence](#) supports and connects domestic violence organizations through regional directories, legal resources, and advocacy networks, a great point of contact for shelters needing peer advice and tools.

HB 665 – Preclude non-profit officers from personal liability for unpaid tax withholding

Sponsor: Mercer, Bill (R) – HD 52

HB 665 is intended to provide increased liability protection for individuals serving on boards of small nonprofits. The bill provides individual liability protection for certain failures related to state tax withholding, which, according to the Montana Department of Revenue, is not covered by Montana’s broader nonprofit immunity statute (Section [27-7-732](#) MCA) that protects officers, directors, and volunteers of nonprofits from personal liability for actions taken in their official roles. Instead, the Department of Revenue references Section [15-30-2503](#) MCA to demonstrate how nonprofit officers and directors may be held personally liable for unpaid state tax withholding.

HB 665 provides specific protection for officers or directors of “small nonprofits” from personal liability for unpaid tax withholding. “Small nonprofit” is defined in the bill as employing 10 or fewer paid employees at any given time during the calendar year. This protection only applies so long as the officers or directors are unpaid and not involved in fraud or misconduct, and the nonprofit cannot be out of compliance for more than 12 months with outstanding unpaid taxes, penalties, and interest.

Varying legal opinions have raised questions of whether HB 665 unintentionally increases the risk of personal liability for volunteer officers or directors not specifically protected in the bill, and whether the narrow protections included in HB 665 conflict with the general protections included in Section 27-1-732 MCA. MNA will continue seeking clarity on these questions and consider legislative opportunities to extend protections to officers and directors of all nonprofits, regardless of their size.

Legally Required Actions:

Understand nonprofit liability risks, legal obligations, and potential liabilities, including for improperly withholding taxes.

Recommended Actions:

1. Invest in [Directors and Officers Liability insurance](#) to help protect directors, officers, committee members, volunteers and the nonprofit organization from allegations of failing to act in the best interest of the organization.
2. Educate board members on liability policies and protections.
3. Consult CPA or attorney periodically to ensure alignment with state law.

Effective date: 10/01/2025

Additional Resources:

MNA members have access to [Nonprofit Executive Liability Insurance](#), along with coverage enhancements and discounted pricing from Berkley Select Insurance and the agents at Marsh McLennan Insurance.

[Article on personal liability](#) for nonprofit directors, “*In a few situations, people involved with a nonprofit corporation can be held personally liable for its debts...*”

SB 224 – Create Indigenous Peoples Day

Sponsor: Morigeau, Shane (D) – SD 50

SB 224 officially recognizes Indigenous Peoples' Day as a legal holiday in Montana that will be observed on the second Monday in October, alongside Columbus Day. The law also updates the state's official list of holidays and asks the Montana Supreme Court, local governments, and tribal nations to reflect this change in their own rules and calendars. Montana joins more than a dozen states and at least 200 cities in recognizing this day.

Legally Required Actions:

None for nonprofits

Recommended Actions:

1. Nonprofits can update calendars to reflect the second Monday in October as Indigenous Peoples' Day and consider how to recognize the holiday in their organization.
2. Encourage your staff to attend Indigenous Peoples' Day events in your community to learn, commemorate, honor, and celebrate the history and culture of Indigenous people.
3. Make a commitment to deeper learning, listening, and relationship-building with Indigenous people and native communities in Montana.

Effective date: 10/01/2025

Additional Resources:

[Montana Free Press article](#) on the passage of SB 224 in Montana, *"We're going to have a day where we can empower our youth and future generations in a positive way."*

[Indigenous Peoples' Day Montana](#) is dedicated to educating students, teachers, decision-makers, and the public to recognize the significance of Indigenous Peoples' Day.

Passing SB 224 was a legislative priority for the [2025 Montana American Indian Caucus](#), a group of primarily Indigenous legislators who support bills in the best interest of Indian Country.

SB 297 – Generally Revise Privacy Laws

Sponsor: Zolnikov, Daniel (R) – SD 22

SB 297 modifies rules related to the protection of people’s personal data through the Montana Consumer Data Privacy Act, enacted in 2023. Under this act, consumers have the right to know what data companies collect about them, ask for it to be corrected or deleted, and opt out of certain uses of their data. Organizations that collect personal data, called “controllers”, must respond to these requests quickly, clearly explain how they use data in a privacy notice, and make it easy for people to appeal decisions.

SB 297 revises which organizations are subject to the Montana Consumer Data Privacy Act. Prior to SB 297, all nonprofits were exempt from the act. With this new law, the nonprofit exemption is limited only to those nonprofits “established to detect and prevent fraudulent acts in connection with insurance”.

However, to be considered a “controller” under the act, an entity must either (1) control or process the personal data of at least 25,000 consumers, or (2) control or process the personal data of at least 15,000 consumers if the controller derives at least 25% of gross revenue from the sale of personal data. *With these thresholds, it is likely that only the largest nonprofits with extensive donor databases are affected by the Montana Consumer Data Privacy Act and SB 297.*

Legally Required Actions (for nonprofits meeting the thresholds of “controller” as defined in the bill):

1. Enable consumers to access their personal data, correct inaccuracies, and delete their data.
2. Publish and maintain a privacy policy that includes what personal data is collected, why its collected and how it's used, any third-party sharing or selling of data, how and consumers can exercise their rights.
3. Implement reasonable safeguards based on the sensitivity and volume of personal data they handle.

Recommended Actions:

1. Review your data privacy policy and make sure it clearly explains what data is collected and why, whether you share or sell any data, and how individuals can access, correct, delete, or opt out of data collection. Ensure your policy is easily and publicly accessible.
2. Implement privacy safeguards for sensitive information. Regularly review your cybersecurity practices based on the volume and sensitivity of the data you collect.

Effective date: 10/01/2025

Additional Resources:

[Blog offers an analysis](#) of SB 297’s key changes including expanded scope, narrowed nonprofit exemptions, new minor protections, and enforcement powers.

[Article that covers](#) lowered compliance thresholds, narrowed exceptions for nonprofits, and expanded minors’ protections.

[Another analysis](#) of SB 297 and updates to Montana’s Consumer Data Privacy Act.