

REALTY TRANSFER CERTIFICATE  
Confidential Tax Document

**WHO MUST FILE** – Any party transferring real property, regardless of whether the transfer is evidenced by deed or instrument, or any party presenting an instrument or deed evidencing a transfer of real estate for recording. Real estate includes land, growing timber, buildings, structures, fixtures, fences and improvements affixed to land.

**YOU MAY OWE INCOME TAXES** – Any gain on this transfer is Montana source income and should be reported to the Department of Revenue on the appropriate income tax return.

**WHEN AND WHERE TO FILE** – The completed Realty Transfer Certificate must be filed with the County Clerk and Recorder when the instrument or deed evidencing a transfer of real estate is presented for recording.

If the transfer is by operation of law, then a Realty Transfer Certificate with the required supporting documentation should be filed with the local Department of Revenue office. See Part 4 for further information.

**The Department of Revenue will change the ownership record when this form is fully completed and signed by the preparer.**

PART 1 – DATE OF TRANSFER (SALE)

This should be the date on which the instrument or deed was executed (the date the instrument or deed was signed by the Seller (Grantor) and Buyer (Grantee) unless otherwise specified in the deed or date of decedent’s death). Contracts for Deed and Notices of Purchaser’s Interest should use the date the contract or notice was initially effective.

PART 2 – PARTIES

**Seller (Grantor)/ Buyer (Grantee):** Enter the names of the Seller (Grantor) and Buyer (Grantee) exactly as they appear on the transferring document. Business organizations, corporations, trusts, etc., should enter their name(s) exactly as it appears on the transferring document.

**Addresses:** For the Seller (Grantor), enter the current mailing address. The Seller (Grantor) and the Buyer (Grantee) are requested to mark Yes or No to indicate if the property subject to this transfer has been or will be the location of their principal residence. A principal residence is a residential dwelling that was occupied, in the case of the Seller (Grantor), or will be occupied, in the case of the Buyer (Grantee), for at least 7 months. The Buyer (Grantee) must enter the permanent mailing address. If the tax notice is to be sent to a different mailing address, please complete the additional mailing information.

**SSN or FEIN:** For individuals, provide the last four digits of the Social Security Number of all legal owners named in the transferring document. For business organizations, corporations, trusts, etc., provide the last four digits of the federal ID number(s) of the legal entity(ies) named in the transferring document. See [15-1-201, MCA](#) and 42 USC 405(c)(2)(C)(i)(iv). The Department of Revenue uses personal identification numbers to cross match Realty Transfer Certificates with income tax returns to verify taxpayer compliance on gains from real estate sales or transfers and to identify delinquent taxpayers. Additional SSN or FEIN numbers (last four digits) may be provided on an attachment.

**Daytime Phone and Email Address:** Enter phone numbers and email addresses for both the Seller (Grantor) and Buyer (Grantee).

PART 3 – PROPERTY DESCRIPTION

This section identifies the parcel that is being transferred by location and is the legal description found on the instrument or deed conveying the real estate or the abstract to the real estate.

The property description may be provided on an attachment and can be identified by checking the applicable box.

PART 4 – DESCRIPTION OF TRANSFER (Please refer to *When and Where to File* above.)

Check the box(es) that describes the transfer for which an instrument is to be recorded with the County Clerk and Recorder.

**Transfer by Operation of Law:** Check the box(es) that apply to the type of transfer. A copy of the following applicable documentation must be attached to the Realty Transfer Certificate:

- Termination of joint tenancy or life estate by death – copy of certified death certificate.
- Transfer on Death deed – copy of recorded transfer on death deed and copy of certified death certificate.
- Court Decree – certified copy of the order or decree requiring the transfer.
- Merger, consolidation or other business reorganization – plan of reorganization filed with the Secretary of State.
- Name change only – documents filed with the Secretary of State to accomplish the name change.

PART 5 – EXCEPTION FROM PROVIDING SALES PRICE INFORMATION

If any of the exceptions listed apply to this transfer, check the appropriate box and do not complete Section 6. If you are unsure whether this transaction should be defined as an exception or if you have any other questions concerning exception status, request a determination from your local Department of Revenue field office. [15-7-307, MCA](#)

PART 6 – SALE INFORMATION (If there is no exception checked in Part 5, you must complete this section.)

**Confidentiality: Sale information is confidential and for official use by the Department of Revenue only.**

Enter the total purchase price paid for the sale parcel. This should include cash, mortgages, property traded, liabilities assumed, leases, easements and personal property.

**Financing:** If you paid cash for the entire sale parcel, check the box for Cash. If you financed the property by receiving a loan, check the appropriate box: Federal Housing Administration (FHA) Loan, Veterans Administration (VA) Loan or Conventional. If this was a contract for deed or trust indenture, check the box for Contract. If there was some other type of financing used such as a Montana Board of Housing Loan, trade of property, etc., check the box for Other. Also, indicate whether this was a new loan or an assumption of an existing loan.

**Personal Property:** Enter the dollar amount of any personal property included with the sale of this parcel. Personal property includes furniture and fixtures, business and farm equipment, livestock, recreational vehicles, leases and easements, and mobile homes. Anything that is permanently attached to the real estate should not be included. Negligible personal property included in a residential sale need not be reported.

**SID (Special Improvement District – liens levied against the property for amenities like street paving, sewers, water systems, etc.):** Answer the questions by checking the appropriate boxes, and include the amount of the SID paid or assumed.

**Value of Inventory:** Provide the value of any business inventory that was included in the sales price.

**Value of Licenses:** Provide the value of any licenses included in the sales price, i.e., liquor licenses, gambling licenses, etc.

**Value of Good Will:** Provide the value of Good Will included in the sale price. (Good Will is defined as “the economic advantage over competitors that a business has acquired by virtue of habitual patronage of customers.”)

**PART 7 – WATER RIGHTS DISCLOSURE** – This disclosure must be completed and signed by the Seller (Grantor) or the Seller’s legally appointed agent if box B, C or D is checked. Seller’s (Grantor) signature is not required if box A is checked. If Box D has been checked, the Certification of Water Right Ownership Update, Form 640 (page 5), must also be signed by the Seller (Grantor), the Buyer (Grantee), and the escrow agent (if applicable) for the deed or instrument to be recorded by the County Clerk and Recorder. Refer to page 2 for further information about the disclosure.

**PART 8 – PREPARER INFORMATION** – All Realty Transfer Certificates must be signed and dated by the preparer. By his/her signature, the preparer indicates the information provided is true and correct to the best of his/her knowledge, that the Seller (Grantor) and the Buyer (Grantee) have examined the completed Realty Transfer Certificate and agree the information contained within is correct and accurate.

## WATER RIGHT DISCLOSURE INFORMATION

The Water Right Disclosure is required by Montana Law. The Legislature requires both the buyer and seller of property to know what the water right situation is—whether any water rights exist and whether they are being transferred with or withheld from the property.

A water right is a legally protected right to beneficially use water in priority that was obtained in accordance with Montana law. Buyers should investigate whether water being used on a property is allowed as a valid water right, or is merely an unauthorized and unprotectable use of water. In Montana, all irrigation water rights must have a valid Department of Natural Resources and Conservation (DNRC) water right number to be of record. However, existing water rights for livestock and individual domestic use, as opposed to municipal use, based on an instream flow or groundwater source before July 1, 1973, do not need a DNRC water right number. If a water right does not have a DNRC number, and does not fall within the above narrow exception, there is no water right.

Once the water rights belonging to a property have been identified, the investigation of water rights should not stop there. Although a water right may have a valid DNRC water right number, it may still be subject to final adjudication in Montana's general stream adjudication. The Montana Water Court is currently adjudicating all Statements of Claim for pre-July 1, 1973, water rights. A water right's validity is dependent on the results of its adjudication, and how its priority compares to other water rights on a source of supply. The buyer and seller of a property may need to consult an attorney or water rights consultant for an opinion of the status of the property's water right. The Montana Water Court can answer questions about the current status of Statements of Claim being adjudicated by calling 1 (800) 624-3270 (in state) or (406) 586-4364.

**Important:** If there are water rights that have been historically used on the property being transferred, but are not going to be transferred in the sale of land, the deed must specifically exempt (reserve) those water rights from the land sale. If the deed is silent, the water rights automatically pass with the land by operation of law.

The following descriptions may be helpful to determine the appropriate box to mark in Part 7, Water Rights Disclosure. If further assistance is needed, the buyer and seller of a property may want to seek legal advice.

### **CHECK ONLY ONE BOX (on Part 7, Water Rights Disclosure on page 3)**

To correctly complete the water right disclosure, the seller (grantor) needs to know if there are water rights belonging to the subject property on record with the DNRC.

- A. Property is served by a public water supply, i.e., city or water district provides water.** Check this box if the water you use on the land described in this document is provided by a city, town, water users association or other entity. Seller's (grantor) signature is not required in Part 7 if box A is checked. The seller does not need to file a Water Right Ownership Update form.
- B. Seller has no water rights on record with DNRC to transfer.** Check this box if there are no water rights appurtenant to the subject property on record with the DNRC. The seller does not need to file a Water Right Ownership Update form.  
  
If only filing a Transfer on Death Deed, water rights do not transfer at this time. Check this box.
- C. Seller is transferring ALL water rights on record with DNRC to the Buyer.** If all of the water rights belonging to the subject property on record with the DNRC will be transferred to the buyer, check this box. All of the water rights associated with the land described in Part 3 will have the owner name updated once the fee is submitted. Submit the proper fee and DNRC Water Right Ownership Update, Form 608 (pages 6-7), to your local water resources office.
- D. Seller is dividing or exempting (reserving) water rights.** If the seller (grantor) has divided the property and water rights or has exempted (reserved) the water rights (not transferred with the land sale), check this box and complete the Certification of Water Right Ownership Update, form 640 (page 5). The seller (grantor) must submit a DNRC Ownership Update Exempt (Reserve) Severed Water Right, Form 642 and filing fee identifying which water right has been kept by the seller. If a water right has been divided, the seller must file a DNRC Ownership Update Divided Interest, Form 641 and filing fee explaining how and with whom the water right was divided.

**Contact the DNRC for information if water is used on the property other than described above.**

**Confidential Tax Document:** The information contained in this certificate is confidential by Montana law. Unauthorized disclosure of this information is a criminal offense, [15-7-308, MCA](#).

The Department of Revenue will change the name on ownership records used for the assessment and taxation of real property when this form is fully completed and signed by the preparer. (Please read the attached instructions on page 1 for assistance in completing and filing this form.)

**Montana law requires this form be completed and may impose up to a \$500 penalty for failure to file a Realty Transfer Certificate ([15-7-304](#), [15-7-305](#) and [15-7-310](#), MCA)**

## (MM/DD/YYYY)

Please complete this section in full; if additional space is required, please attach a separate page.

<b>PART 3 – PROPERTY DESCRIPTION</b>	Please complete fully; if additional space is required, please attach a separate page.
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Please complete fully; if additional space is required, please attach a separate page.

**PART 4 – DESCRIPTION OF TRANSFER** Please complete fully, more than one may apply.

Please complete fully, more than one may apply.

**Transfer by Operation of Law**

<input type="checkbox"/> Termination of life estate by death	<input type="checkbox"/> Termination of joint tenancy by death	<input type="checkbox"/> Transfer on Death deed
<input type="checkbox"/> Court order or decree (except sheriff's sale)	<input type="checkbox"/> Merger, consolidation, or other business entity reorganization	<input type="checkbox"/> Name change only

Please complete fully, more than one may apply.

**PART 6 – SALE PRICE INFORMATION** Please complete fully, more than one may apply.

Please complete fully, more than one may apply.

**PART 7 – WATER RIGHT DISCLOSURE** Disclosure is only applicable to the property identified in PART 3 above.

Disclosure is only applicable to the property identified in PART 3 above.

**PART 8 – PREPARER INFORMATION**      Preparer's signature is required.

## Preparer's signature is required.

**Clerk and Recorder Use Only**

**Clerk and Recorder Use Only**

Recording Information: Document No. \_\_\_\_\_ Book \_\_\_\_\_ Page \_\_\_\_\_ Date \_\_\_\_\_

Department of Revenue Copy Page 3

**Confidential Tax Document:** The information contained in this certificate is confidential by Montana law. Unauthorized disclosure of this information is a criminal offense, [15-7-308, MCA](#).

The Department of Revenue will change the name on ownership records used for the assessment and taxation of real property when this form is fully completed and signed by the preparer. (Please read the attached instructions on page 1 for assistance in completing and filing this form.)

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## (MM/DD/YYYY)

Please complete this section in full; if additional space is required, please attach a separate page.

**Buyer (Grantee)**  
 Name \_\_\_\_\_  
 Mailing Address \_\_\_\_\_  
 (Permanent) \_\_\_\_\_  
 City \_\_\_\_\_ ST \_\_\_\_\_ ZIP \_\_\_\_\_  
 Buyer Principal Residence    ☐ Yes    ☐ No  
 Mailing Address \_\_\_\_\_  
 For Tax Notice \_\_\_\_\_  
 (If different)    City \_\_\_\_\_ ST \_\_\_\_\_ ZIP \_\_\_\_\_

Please complete fully; if additional space is required, please attach a separate page.

Legal Description \_\_\_\_\_ Attachment ☐

Add/Sub \_\_\_\_\_ Block \_\_\_\_\_ Lot \_\_\_\_\_

County \_\_\_\_\_ City/Town \_\_\_\_\_ Section \_\_\_\_\_ Township \_\_\_\_\_ Range \_\_\_\_\_

Please complete fully, more than one may apply.

☐ Sale   
 ☐ Gift   
 ☐ Barter   
 ☐ Nominal or no consideration   
 ☐ Part of 1031 or 1033 exchange   
 ☐ Transfer is subject to a reserved life estate

Distressed sales:   
 ☐ Sheriff's deed   
 ☐ Trustee's deed   
 ☐ Deed in lieu of foreclosure   
 ☐ Short sale   
 ☐ Other

- ☐ Termination of life estate by death
- ☐ Termination of joint tenancy by death
- ☐ Transfer on Death deed
- ☐ Court order or decree (except sheriff's sale)
- ☐ Merger, consolidation, or other business entity reorganization
- ☐ Name change only

Please complete fully, more than one may apply.

- ☐ Transfer between husband/wife or parent/child for nominal consideration
- ☐ Termination of joint tenancy by death
- ☐ Transfer to a revocable living trust
- ☐ Gift
- ☐ Correction, modification, or supplement of previously recorded instrument, no additional consideration
- ☐ Merger, consolidation or reorganization of business entity
- ☐ Land currently classified as agricultural land and for continued use for agricultural purposes ([15-7-307, MCA](#))
- ☐ Transfer made in contemplation of death without consideration
- ☐ Transfer of property of a decedent's estate
- ☐ Transfer pursuant to court decree (except sheriff's sale)
- ☐ Termination of life estate by death
- ☐ Transfer by government agency
- ☐ Tax deed
- ☐ Land currently classified as forestland and for continued use for producing timber ([15-7-307, MCA](#))

Please complete fully, more than one may apply.

Actual Sale Price \$ \_\_\_\_\_

Financing: ☐ Cash ☐ FHA ☐ VA ☐ Contract ☐ Other

Terms: ☐ New loan **OR** ☐ Assumption of existing loan

Value of personal property included in sale \$ \_\_\_\_\_

Value of inventory included in sale \$ \_\_\_\_\_

Value of licenses included in sale \$ \_\_\_\_\_

Value of good will included in sale \$ \_\_\_\_\_

Was an SID payoff included in the sale price? ☐ Yes ☐ No

Did the buyer assume an SID? ☐ Yes ☐ No

Amount of SID paid or assumed: \$ \_\_\_\_\_

Was a mobile home included in the sale? ☐ Yes ☐ No

Disclosure is only applicable to the property identified in PART 3 above.

☐ **A.** Property is served by a public water supply, i.e., city, irrigation district, or water district provides water.

☐ **B.** Seller has no water rights on record with DNRC to transfer.

☐ **C.** Seller is transferring ALL water rights on record with DNRC to the Buyer.

☐ **D.** Seller is dividing or exempting (reserving) water rights. Seller must file Water Right Update form.

**X** Seller (Grantor) Signature \_\_\_\_\_ Date \_\_\_\_\_

## Preparer's signature is required.

**X** Signature \_\_\_\_\_ Mailing Address \_\_\_\_\_  
 Name/Title \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ ZIP \_\_\_\_\_  
 (please print) \_\_\_\_\_  
 Daytime Phone \_\_\_\_\_

Recording Information: Document No. \_\_\_\_\_ Book \_\_\_\_\_ Page \_\_\_\_\_ Date \_\_\_\_\_

**Montana Department of Natural Resources and Conservation**  
**1424 9th Avenue, PO Box 201601**  
**Helena, MT 59620-1601**  
**Phone: 444-6601, FAX: 444-0533**



**Certification of Water Right Ownership Update**

The Realty Transfer Certificate submitted with the deed or other instrument indicates a water right is being divided or exempted (reserved) from the property. The Clerk and Recorder may not record the deed or instrument unless this certification is completed and signed by the buyer, seller and escrow agent (if applicable). See [85-2-424\(6\)](#), MCA.

- ☐ The required DNRC Ownership Update Divided Interest, Form 641 or DNRC Ownership Update Exempt (Reserved) / Severed Water Right, Form 642 and the required fee are held in escrow.

I certify under penalty of false swearing that the statement appearing here is to the best of my knowledge true and correct.

Seller Signature \_\_\_\_\_ Date \_\_\_\_\_

Buyer Signature \_\_\_\_\_ Date \_\_\_\_\_

Escrow Agent Signature \_\_\_\_\_ Date \_\_\_\_\_

- ☐ There is no escrow. The required DNRC Ownership Update Divided Interest, Form 641, or DNRC Ownership Update Exempt (Reserved) / Severed, Form 642, has been prepared and will be sent with the required fee to the Department of Natural Resources and Conservation within five business days of recording. The transferee (buyer) acknowledges that failure to file the appropriate form and fee may result in the department imposing up to a \$75 penalty against the buyer. See [85-2-431](#) and [85-2-424\(6\)\(b\)](#), MCA.

I certify under penalty of false swearing that the statement appearing here is to the best of my knowledge true and correct.

Seller Signature \_\_\_\_\_ Date \_\_\_\_\_

Buyer Signature \_\_\_\_\_ Date \_\_\_\_\_

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**If you have questions, contact your local water resources regional office.**

**BILLINGS**

406-247-4415

*Big Horn, Carbon, Carter, Custer, Fallon, Powder River, Prairie, Rosebud, Stillwater, Sweet Grass, Treasure and Yellowstone Counties*

**BOZEMAN**

406-586-3136

*Gallatin, Madison and Park Counties*

**GLASGOW**

406-228-2561

*Daniels, Dawson, Garfield, McCone, Phillips, Richland, Roosevelt, Sheridan, Valley and Wibaux Counties*

**HAVRE**

406-265-5516

*Blaine, Chouteau, Glacier, Hill, Liberty, Pondera, Teton and Toole Counties*

**HELENA**

406-444-6999

*Beaverhead, Broadwater, Deer Lodge, Jefferson, Lewis and Clark, Powell and Silver Bow Counties*

**KALISPELL**

406-752-2288

*Flathead, Lake, Lincoln and Sanders Counties*

**LEWISTOWN**

406-538-7459

*Cascade, Fergus, Golden Valley, Judith Basin, Meagher, Musselshell, Petroleum and Wheatland Counties*

**MISSOULA**

406-721-4284

*Granite, Mineral, Missoula and Ravalli Counties*

[illegible]



# **DNRC OWNERSHIP UPDATE INFORMATION**

## **IMPORTANT INFORMATION**

- If you do not attach the proper RECORDED deed or instrument of conveyance, DNRC will wait for information from Department of Revenue indicating the deed was filed prior to updating the ownership on your water rights.
- Do not file this form if only a portion of the seller's interest of the water right is being transferred. Complete and file Form 641 DNRC Ownership Update Divided Interest.
- Do not file this form if you are severing a water right. Complete and file Form 642 DNRC Ownership Update Exempt (Reserved) / Severed Water Right.
- Do not file this form if your only use of water is from an irrigation district, municipal system, water users' association, or other public water supply.
- If the sale is on a Contract for Deed, the seller will remain listed as a co-owner of the water right until the contract is satisfied.

## **IF YOU HAVE QUESTIONS, CONTACT YOUR LOCAL WATER RESOURCES REGIONAL OFFICE.**

### **BILLINGS**

Airport Business Park  
1371 Rimtop Dr.  
Billings, MT 59105  
406-247-4415

*Big Horn, Carbon, Carter, Custer, Fallon, Powder River, Prairie, Rosebud, Stillwater, Sweet Grass, Treasure, & Yellowstone Counties*

### **BOZEMAN**

2273 Boot Hill Court, Suite 110  
Bozeman, MT 59715  
406-586-3136

*Gallatin, Madison, & Park Counties*

### **GLASGOW**

222 Sixth St. South; PO Box 1269  
Glasgow, MT 59230  
406-228-2561

*Daniels, Dawson, Garfield, McCone, Phillips, Richland, Roosevelt, Sheridan, Valley, & Wibaux Counties*

### **HAVRE**

210 6<sup>th</sup> Ave.; PO Box 1828  
Havre, MT 59501  
406-265-5516

*Blaine, Chouteau, Glacier, Hill, Liberty, Pondera, Teton, & Toole Counties*

### **HELENA**

1424 9<sup>th</sup> Ave  
PO Box 201601  
Helena, MT 59620  
406-444-6999

*Beaverhead, Broadwater, Deer Lodge, Jefferson, Lewis & Clark, Powell, & Silver Bow Counties*

### **KALISPELL**

655 Timberwolf Parkway, Suite 4  
Kalispell, MT 59901-1215  
406-752-2288

*Flathead, Lake, Lincoln, & Sanders Counties*

### **LEWISTOWN**

613 NE Main, Suite E  
Lewistown, MT 59457  
406-538-7459

*Cascade, Fergus, Golden Valley, Judith Basin, Meagher, Musselshell, Petroleum, & Wheatland Counties*

### **MISSOULA**

2705 Spurgin Rd, Bldg C  
PO Box 5004  
Missoula, MT 59806  
406-721-4284

*Granite, Mineral, Missoula, & Ravalli Counties*



<http://www.dnrc.mt.gov/divisions/water>