

1 SENATE BILL NO. 81
 2 INTRODUCED BY Crosfield, Iselt, Volger
 3 BY REQUEST OF THE DEPARTMENT OF REVENUE

4
 5 A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE
 6 DEPARTMENT OF REVENUE'S AUTHORITY TO ISSUE REVISED
 7 ASSESSMENTS FOR CENTRALLY ASSESSED PROPERTY TO THE PERSON OR
 8 ENTITY THAT OWNED THE PROPERTY AT THE TIME IT ESCAPED
 9 ASSESSMENT, WAS ERRONEOUSLY ASSESSED, OR WAS OMITTED FROM
 10 TAXATION; AND AMENDING SECTION 15-8-601, MCA."

11
 12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

13 **Section 1.** Section 15-8-601, MCA, is amended to read:

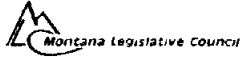
14 "15-8-601. Assessment revision -- conference for
 15 review. (1) (a) Whenever Except as provided in subsection
 16 (1)(b), whenever the department of revenue discovers that
 17 any taxable property of any person has in any year escaped
 18 assessment, been erroneously assessed, or been omitted from
 19 taxation, the department may assess the same provided the
 20 property is under the ownership or control of the same
 21 person who owned or controlled it at the time it escaped
 22 assessment, was erroneously assessed, or was omitted from
 23 taxation. All such revised assessments must be made within
 24 10 years after the end of the calendar year in which the
 25 original assessment was or should have been made.

1 (b) Within the time limits set by 15-23-116, whenever
 2 the department discovers property subject to assessment
 3 under Title 15, chapter 23, that has escaped assessment,
 4 been erroneously assessed, or been omitted from taxation,
 5 the department may issue a revised assessment to the person,
 6 firm, or corporation who owned the property at the time it
 7 escaped assessment, was erroneously assessed, or was omitted
 8 from taxation, regardless of the ownership of the property
 9 at the time of the department's revised assessment.

10 (2) Whenever the department or its agent proposes to
 11 increase the valuation of locally assessed property above
 12 the value reported by the taxpayer under 15-8-301, the
 13 action of the department is subject to the notice and
 14 conference provisions of this section.

15 (3) (a) Notice of revised assessment pursuant to this
 16 section shall be made by the department or its agent by
 17 postpaid letter addressed to the person interested within 10
 18 days after the revised assessment has been made. The notice
 19 shall include opportunity for a conference on the matter, at
 20 the request of the person interested, not less than 15 or
 21 more than 30 days after notice is given.

22 (b) An assessment revision review conference is not a
 23 contested case as defined in the Montana Administrative
 24 Procedure Act. The department shall keep minutes in writing
 25 of each assessment review conference, which are public



1 records.

2 (c) Following an assessment review conference or
3 expiration of opportunity therefor, the department shall
4 order such assessment as it considers proper. Any party to
5 the conference aggrieved by the action of the department may
6 appeal directly to the state tax appeal board within 30 days
7 or, if the property is locally assessed, may appeal to the
8 county tax appeal board at its next meeting.

9 (4) The department must record in a book to be kept for
10 that purpose all changes, corrections, and orders made by it
11 and must direct its agent to enter upon the assessment book
12 all changes and corrections made by it.

13 (5) Immediately upon receipt of a revised assessment,
14 the county official possessing the assessment roll book
15 shall enter the revised assessment. If the revised
16 assessment corrects an original assessment, the previous
17 entry shall be canceled upon order of the department."

-End-

STATE OF MONTANA - FISCAL NOTE
Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB0081, as introduced.

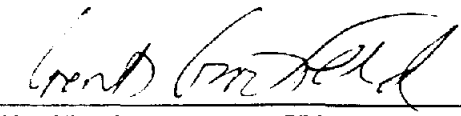
DESCRIPTION OF PROPOSED LEGISLATION:

An act clarifying the Department of Revenue's authority to issue revised assessments for centrally assessed property to the person or entity that owned the property at the time it escaped assessment, was erroneously assessed, or was omitted from taxation.

FISCAL IMPACT:

The proposal was originally intended to clarify statutory language. Since then, a recent court ruling has upheld Department of Revenue's interpretation of statute. This legislation is intended to clearly state current law.

 1-17-91
ROD SUNDSTED, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

 1-18-91
LORENTS GROSFIELD, PRIMARY SPONSOR DATE
Fiscal Note for SB0081, as introduced **SB 81**

APPROVED BY COMMITTEE
ON TAXATION

SENATE BILL NO. 81

INTRODUCED BY GARFIELD, GILBERT, HALLIGAN

BY REQUEST OF THE DEPARTMENT OF REVENUE

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE DEPARTMENT OF REVENUE'S AUTHORITY TO ISSUE REVISED ASSESSMENTS FOR CENTRALLY ASSESSED PROPERTY TO THE PERSON OR ENTITY THAT OWNED THE PROPERTY AT THE TIME IT ESCAPED ASSESSMENT, WAS ERRONEOUSLY ASSESSED, OR WAS OMITTED FROM TAXATION; AND AMENDING SECTION 15-8-601, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-8-601, MCA, is amended to read:

"15-8-601. Assessment revision -- conference for review. (1) (a) Whenever Except as provided in subsection (1)(b), whenever the department of revenue discovers that any taxable property of any person has in any year escaped assessment, been erroneously assessed, or been omitted from taxation, the department may assess the same provided the property is under the ownership or control of the same person who owned or controlled it at the time it escaped assessment, was erroneously assessed, or was omitted from taxation. All such revised assessments must be made within

10 years after the end of the calendar year in which the original assessment was or should have been made.

(b) Within the time limits set by 15-23-116, whenever the department discovers property subject to assessment under Title 15, chapter 23, that has escaped assessment, been erroneously assessed, or been omitted from taxation, the department may issue a revised assessment to the person, firm, or corporation who owned the property at the time it escaped assessment, was erroneously assessed, or was omitted from taxation, regardless of the ownership of the property at the time of the department's revised assessment.

(2) Whenever the department or its agent proposes to increase the valuation of locally assessed property above the value reported by the taxpayer under 15-8-301, the action of the department is subject to the notice and conference provisions of this section.

(3) (a) Notice of revised assessment pursuant to this section shall be made by the department or its agent by postpaid letter addressed to the person interested within 10 days after the revised assessment has been made. The notice shall include opportunity for a conference on the matter, at the request of the person interested, not less than 15 or more than 30 days after notice is given.

(b) An assessment revision review conference is not a contested case as defined in the Montana Administrative

SECOND READING

SB 81



1 Procedure Act. The department shall keep minutes in writing
2 of each assessment review conference, which are public
3 records.

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5 expiration of opportunity therefor, the department shall
6 order such assessment as it considers proper. Any party to
7 the conference aggrieved by the action of the department may
8 appeal directly to the state tax appeal board within 30 days
9 or, if the property is locally assessed, may appeal to the
10 county tax appeal board at its next meeting.

11 (4) The department must record in a book to be kept for
12 that purpose all changes, corrections, and orders made by it
13 and must direct its agent to enter upon the assessment book
14 all changes and corrections made by it.

15 (5) Immediately upon receipt of a revised assessment,
16 the county official possessing the assessment roll book
17 shall enter the revised assessment. If the revised
18 assessment corrects an original assessment, the previous
19 entry shall be canceled upon order of the department."

20 NEW SECTION. SECTION 2. EFFECTIVE DATE -- RETROACTIVE
21 APPLICABILITY. [THIS ACT] IS EFFECTIVE ON PASSAGE AND
22 APPROVAL AND APPLIES RETROACTIVELY, WITHIN THE MEANING OF
23 1-2-109, TO TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1990.

-End-

SENATE BILL NO. 81

INTRODUCED BY GROSFIELD, GILBERT, HALLIGAN

BY REQUEST OF THE DEPARTMENT OF REVENUE

A BILL FOR AN ACT ENTITLED: "AN ACT CLARIFYING THE DEPARTMENT OF REVENUE'S AUTHORITY TO ISSUE REVISED ASSESSMENTS FOR CENTRALLY ASSESSED PROPERTY TO THE PERSON OR ENTITY THAT OWNED THE PROPERTY AT THE TIME IT ESCAPED ASSESSMENT, WAS ERRONEOUSLY ASSESSED, OR WAS OMITTED FROM TAXATION; AND AMENDING SECTION 15-8-601, MCA; AND PROVIDING AN IMMEDIATE EFFECTIVE DATE AND A RETROACTIVE APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 15-8-601, MCA, is amended to read:

"15-8-601. Assessment revision -- conference for review. (1) (a) Whenever Except as provided in subsection (1)(b), whenever the department of revenue discovers that any taxable property of any person has in any year escaped assessment, been erroneously assessed, or been omitted from taxation, the department may assess the same provided the property is under the ownership or control of the same person who owned or controlled it at the time it escaped assessment, was erroneously assessed, or was omitted from taxation. All such revised assessments must be made within

10 years after the end of the calendar year in which the original assessment was or should have been made.

(b) Within the time limits set by 15-23-116, whenever the department discovers property subject to assessment under Title 15, chapter 23, that has escaped assessment, been erroneously assessed, or been omitted from taxation, the department may issue a revised assessment to the person, firm, or corporation who owned the property at the time it escaped assessment, was erroneously assessed, or was omitted from taxation, regardless of the ownership of the property at the time of the department's revised assessment.

(2) Whenever the department or its agent proposes to increase the valuation of locally assessed property above the value reported by the taxpayer under 15-8-301, the action of the department is subject to the notice and conference provisions of this section.

(3) (a) Notice of revised assessment pursuant to this section shall be made by the department or its agent by postpaid letter addressed to the person interested within 10 days after the revised assessment has been made. The notice shall include opportunity for a conference on the matter, at the request of the person interested, not less than 15 or more than 30 days after notice is given.

(b) An assessment revision review conference is not a contested case as defined in the Montana Administrative

THIRD READING

SB 81



1 Procedure Act. The department shall keep minutes in writing
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12 that purpose all changes, corrections, and orders made by it
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Section 1. Section 15-8-601, MCA, is amended to read:

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REFERENCE BILL

SB 81

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