

**Classification—Taxation—Assessors—State Board of Equalization.**

The state board of equalization has authority to direct changes in the classification of property for taxation purposes.

October 28, 1927.

George W. Padbury, Esq.,  
County Attorney,  
Helena, Montana.

My dear Mr. Padbury:

You have requested my opinion regarding the authority of the state board of equalization to require the county clerk to change the classification of property for taxation purposes which has been made by the assessor, and particularly as to whether that board has the right to order the classification of national banks from 7% to 40% and placed on the same basis as state banks.

The supreme court of this state in the case of *Butte Electric Ry. Co. v. McIntyre*, 71 Mont. 21, under the laws as they existed at the time of that decision, held that the state board had nothing to do with the classification of property for taxation. Since then, however, chapter 61 of the laws of 1925 was passed which authorizes the assessor to classify property, and section 2 provides:

“If any taxpayer shall feel aggrieved at the percentage assignment so made by the county assessor, he shall have the right to appeal to the county board of equalization, on the percentage assignment the same as he now has on valuations, and also, the right to appeal from the county board of equalization to the state board of equalization, whose findings shall be final except as to the right of review in the proper courts.”

It is apparent that the legislature contemplated, by chapter 1, *supra*, to authorize the state board of equalization to review classifications in the same manner as it has authority to review valuations. By chapter 3 of the laws of 1923 the state board of equalization is given broad powers and among others subdivision 5 of section 8 authorizes that board "to adjust and equalize the valuation of taxable property among the several counties, and the different classes of taxable property in any county and in the several counties and between individual taxpayers; supervise and review the acts of county assessors and county board of equalization; change, increase or decrease valuations made by county assessors or equalized by county boards of equalization; and exercise such authority and do all things necessary to secure a fair, just and equitable valuation of all taxable property among counties between the different classes of property and between individual taxpayers."

In my opinion, by chapter 61 of the laws of 1925 the state board is given the same authority regarding the classification of property as it possesses in subdivision 5 of section 8 of chapter 3 of the laws of 1923 regarding the valuations of property and it is my opinion that the state board of equalization has authority to require changes in the classification of property in order to secure a fair, just and equitable valuation and classification of all taxable property between individual taxpayers.

Very truly yours,

L. A. FOOT,  
Attorney General.