

MINUTES OF THE MEETING OF THE APPROPRIATIONS SUBCOMMITTEE ON
ELECTED OFFICIALS AND HIGHWAYS

February 16, 1983

(Tape 75, Side B, 76, 77
and 78, Side A)

The Appropriations Subcommittee on Elected Officials and Highways met at 7 a.m. on February 16, 1983 in Room 437 with Chairman Quilici presiding. The following members were present:

Chairman Quilici
Rep. Connelly
Rep. Lory

Senator Dover
Senator Keating
Senator Van Valkenburg

Senator Stimatz was excused.

Also present: Cliff Roessner, LFA and JanDee May, OBPP.

WORK SESSION

DEPARTMENT OF ADMINISTRATION

Insurance Legal Division (Exhibit 1)

Mr. Roessner stated that the difference in the FTE's is the two attorneys that they have put back into the Central Office, and the Personnel Division and put into the general fund. So the seven FTE's within the OBPP budget is the correct figure.

Senator Dover MOVED the seven FTE's. Motion carried.

In "operating expenses" there is a discrepancy in "contracted services." Mr. Roessner referred to a handout which explained the issues. Item no. 1 adds \$7,865 in FY84 and \$8,337 in FY85 for consulting and professional services. On the request they received from the agency, they had \$7,000 actual expenditures in that category for 1982, and the amounts on the handout reflect the inflated figures for '84 and '85. Mr. Mike Young explained that this is about what they have been paying for actuarial consulting services, and they are doing an annual review by the actuary of their claims experience together with their fund balance, to determine if it is adequate. This also includes a review of their premium breakdown through the agencies to see if this is an appropriate distribution as well. They have done this twice, and it has been recommended by the legislative audit that they continue doing this. So, it is primarily an actuarial review of the self-insurance fund.

He further explained that it was extremely time-consuming and costly to do it every other year. He feels if they were able to work this out every year, they could get by for almost the same cost. Coopers and Liebrand, an accounting, CPA and

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actuarial firm in Seattle, does their work for them, Mr. Young explained.

Also in "contracted services", there are development and maintenance costs on an accident/incident computer program. In 1984 they are requesting \$7,600 to develop the program, plus \$3,820 to maintain the program. This is a new service requested by the division, and, therefore, Mr. Roessner explained, they did not include it in their budget, but treated it as a modified. He added that this is a program that has been recommended by the Governor's Council on Management. Mr. Roessner explained the \$11,420 figure was composed of \$7,600 for development costs and \$3,820 for maintenance costs for FY84.

In answer to a question about how they are currently maintaining this system now and what the difficulty is in maintaining it, Mr. Young explained that they have a manual register now which has several categories of information on it per claim. This is manually updated for all clients. What they would like to do is put this on a computer program with a terminal in the office hooked into the main computer downstairs. When this information is received, it could be keyed into the central system, and they could then punch a button and receive information at any time they needed it with up-to-date numbers. At the present time they have to sit down periodically and update this information manually as the attorneys' reports come in, and as the cases come in. For purposes of audit it is a disadvantage at the moment. It takes so much time to get the information current.

Mr. Young explained that they could probably get by with what is being done now, but this is something that has been recommended by the actuary, by the legislative audit and by the Governor's Council. It will probably benefit the people who do the auditing more than it would help them, but it should be looked at.

In response to a question from Senator Van Valkenburg, Mr. Young explained these costs were estimated by Mike Brandt of the Computer Services Division. Mr. Young explained also that the \$11,000 includes acquisition of the screen and wiring costs. The remainder is time charges and software.

On issue no. 3, Mr. Roessner stated that they have been unable to determine why the LFA budget figure is so different than

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the executive budget for insurance and bonding premiums. The LFA would like to get together with the OBPP and the division to try to tie the figures together. They are requesting a total of \$1,171,981 for FY84 for insurance and bonding premiums and \$576,357 in FY85. These are additions to the LFA budget that they are requesting. It was decided that they would resolve these differences before the committee took action on this part of the budget.

In "supplies and materials", there is a \$2,800 discrepancy. Mr. Roessner explained that the \$2,700 for the Pacific Digest is built into the LFA budget, and the \$2,874 and the \$3,074 is the Westlaw figure which should be in "contracted services."

Discussion on the \$50,000 in the budget for a one-time consultant ensued on a loss control program.

Senator Dover MOVED the LFA budget for everything from "supplies" down on this budget. Discussion. Question being called for, the motion carried.

Mr. Roessner stated that there was one more item which should be discussed; item no 5 on private legal counsel. The request the LFA received was that this item be deleted. He feels that it should be added back in. Chairman Quilici asked Mr. Roessner to let them know what they find out are the right figures when they discuss the other items in "contracted services" with the OBPP. The committee will take final action on this when they get the figures together.

Senator Van Valkenburg then asked Rep. Bardanouve and Mr. Young to respond to questions he had concerning whether or not they needed as large a reserve for potential insurance claims as they presently have, or if it should perhaps be larger. There is presently \$8.4 million for reserves. The actuary they hired during the interim basically said that they should have about another million or million and a half. The Council on Management said they could lower this to \$3.5 million. This would be a potential \$5 million difference to the general fund.

Rep. Bardanouve answered that he had followed this very closely. He stated that he believed Mr. Young has saved Montana millions of dollars. He helped to set up this fund originally, and he feels with court judgments the way

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they are, he would very much question the amount the Council on Management has recommended. Rep. Bardanouve stated he felt it would be much better with \$8 or \$10 million in the reserve account. This reserve is also earning interest, so they are not losing anything by having this money in reserve. Rep. Bardanouve stated he was very comfortable with the program and with the way it is being managed.

Chairman Quilici stated there was one more item in this budget that should be discussed, and that was the general fund. The LFA has \$196,630 and the OBPP \$215,600. He understood this was fire liability premiums for the Capitol. He wondered why the \$18,000 discrepancy.

Mr. Booker stated that they did not know what the premium is going to be yet until it is out for bid next year. Basically to be fair to the agency, they wanted a 20% increase a year, and he went 6% on the general fund. Mr. Booker stated he felt the agency would feel more comfortable with even more general fund to cover a potential higher bid. It was \$192,500 in FY83. The actual premium was \$175,000 in FY82, and the LFA used this figure and inflated it.

Mr. Young stated, however, for clarification, the actual premium for 1982 was \$147,510; the general fund allocation was \$192,000. In addition to this, they billed non-general fund agencies. So they billed out a total of \$259,000, and the premium was \$147,510. The difference of \$112,500 funds the \$100,000 per year deductible, and this is how they arrive at the premium figure. He further explained their agency eats most of the deductible.

Mr. Young noted that they had received news just yesterday concerning insurance companies being at a 200% loss ratio because of the prison riots and the hailstorm last June. They are asking their agents to ask the division to raise the maintenance deductible voluntarily for the past three years up to \$25,000 instead of \$5,000, and they refused to do it. The implied threat was cancellation for the rest of the year to avoid the May and June hail season. His guess is that on a premium that runs a 200% loss ratio and which averages \$147,000 annually, they will probably experience some real radical increases in their bids in the upcoming session. He is really not comfortable with either the LFA or the OBPP figure in this particular area.

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Discussion on insurance premiums. Mr. Young thought this figure should probably be closer to \$250,000 to be adequate.

Senator Dover then made a MOTION to give them \$225,000 for insurance premiums. Motion carried.

(Begin Tape 76, Side A)

After discussion Mr. Young stated that it should probably be about \$235,000 for the second year.

Rep. Lory then made a MOTION that the committee RECONSIDER its action and approve \$235,000 for insurance premiums. This item would not be line-itemed, as this would be a "flag" to prospective bidders. Motion carried.

Senator Van Valkenburg expressed concern about line-iteming items that were going out for bid. He felt this was just like a "flag" to bidders as to what they are able to pay.

Rep. Lory stated his motion was to not line item.

Rep. Bardanouve asked what the total figures were for the hailstorm last summer. Mr. Young stated that he thought they had collected \$865,737.13 from their carriers. They paid \$147,000 for the premium. He also noted that the state picked up \$100,000 of this loss through the deductible, \$5,000 of which was for hail damage.

Chairman Quilici noted the only item left was the "contracted services."

Personnel Division Training Program

Sen. Van Valkenburg noted that there was some misunderstanding that he made on a motion on the training in the Personnel Division because the budget office worksheet indicated that it was revolving fund. The reason there was controversy on the thing was that it was from the general fund that the money was to be appropriated from, not from the revolving fund. He felt this was the reason there was some dispute, because it was from general fund. He wanted to clarify that his motion was to take this from general fund.

HEARINGS

DEPARTMENT OF REVENUE

Property Assessment Division

Mr. Gregg Groepper, Administrator of the Property Assessment Division, was introduced to the committee. He explained that this division is responsible for the valuing, primarily in the collection of some \$500 million in property tax on an annual basis. This \$500 million translates to about \$94 million which is earmarked for the general fund (in the form of the 46 mills), and the remainder of this goes to finance local government. (See Exhibit 2) In 1982, 33.56% of the property tax comes from real estate and improvements; 51.55% comes from personal property, and 14.89% comes from utilities tax.

He explained that the statutes require that the Department of Revenue has full charge of assessments. The county assessor acts as an agent of the department, and it is a responsibility of the counties to provide office space. It is a responsibility of the department to provide the personal property that is necessary to do that job. (See Exhibit 3)

He noted that their budget in the Property Assessment Division in 1981 was not fully funded. As a consequence of that funding, counties have continued to have to provide personal property for the county assessors to get the job done. Their budget is attempting this year to put the state in a position of paying for what its responsibilities are in the county, not in an extravagant fashion, but insuring that if they have a responsibility by statute to buy these things, that they are not having to ask the county to carry that responsibility. Exhibit 3 explains the state's responsibilities by statute. The state has had this responsibility since 1973 when the Constitutional Convention removed local assessment from the county responsibility to the state responsibility.

He then distributed an organizational chart explaining the division prior to this administration. (Exhibits 4, 5, 6 & 7) He explained that there have been a lot of changes in management, and there have been some significant changes in how their operation is run. He explained this was for the committee's information, and to show them how they are trying to make the division more efficient. He explained that in 1982 when they built the budget for this biennium, they put this budget together as of the end of 1982. The LFA took a

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look at 1982 and made projections with inflation factors, and assumed that 1982 was a normal year for them. He then stated if there were ever an abnormal year, 1982 was it. It took them until March of 1982 to get the staff they needed. The reasons for this were that in the summer of 1981, the Department of Revenue had a potential of overspending somewhere in the neighborhood of \$1 million in its budget. A freeze was enacted then by this administration to not overspend their appropriation. As a consequence, many appraiser positions had turned over and gone vacant for long periods of time, and these were not filled. The freeze ended in July, and, at that time, they had some good management practices in place, an affirmative action plan, but they didn't have their area management staff on board. In the division they didn't have any set procedures for hiring people or any written policies for guiding the staff as to what they should do in the field. It took a period of time to get these procedures in place. It took them about nine months to get into a position of being fully-staffed.

Exhibit 8 shows the State of Montana broken up into eight areas. They have out-station appraisal managers in each area. In each of these areas there are elected county assessors, and these assessors answer directly to a staff person here in Helena. So they don't have intermediate supervisors for counties. They have intermediate supervisors for appraisers, and this is so the property that is appraised is appraised consistently.

Exhibit 9 is a bar chart which shows the status of the field work. This shows where they were as of January 1983. The dotted line across this chart shows where they ought to be in order to be finished by January 1, 1986. The situation his division inherited was that there was about 3% of re-appraisal done as of January 1982, no guidelines to the field, no manuals adopted, and they adopted these rules and started putting people to work as of about February 1982.

Exhibit 10 is a numerical restatement of the bar graph shown on Exhibit 9. It shows how many parcels they have done, and the different kinds they have to do yet. Part of the reason that slows them down a little is the amount of time it takes to train someone to go out and appraise commercial property. They shifted their resources last year to help make more new appraisers.

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Exhibit 11 is a graph showing why they are where they are at the present time. It shows they did a good job of reappraisal during the summer (once they began on residential property) until about November. During the months they can get out, they are able to produce more than they thought they could.

Property Assessment Administration (00083) (Exhibits 12 & 13)

He then referred the committee to Exhibit 12 for property assessment administration. The Governor's budget is under in "administration" by \$113,000, and it is over in Helena-based appraisal by \$75,000. So these two budgets are about a "wash" between what the Governor has proposed and what the LFA has proposed. Most of the differences are in the field.

Mr. Groepper understood the LFA did not have a problem with the FTE's they had in administration, but where the differences started to come in were in the areas of "contracted services." There is some disagreement on consulting and professional services. Basically what they spend their "contracted services" money for is for tax experts to come in and help their attorney in developing a case in a complicated tax appeal.

In the area of data processing it can be reflected that 1982 was not a normal year. The funds they are asking for are funds to continue operating their automatic appeals system.

Mr. Groepper explained the difference between the LFA's budget and the Governor's budget in the area of "administration" is the LFA has them at \$115,000, which is more than they have requested.

Property Assessment Helena (0082) (Exhibit 14)

This budget contains the Helena area-based appraisers who are the industrial, agricultural and inter-county property appraisers. The Governor's budget is \$75,000 higher than the LFA's budget. The net effect of putting these two budgets together is that the LFA is suggesting about \$25,000 more for these two budgets than they have requested. He added, they do not need this \$25,000, and wondered if the committee is willing to go ahead and take the Governor's budget figures in these two columns.

For clarification Chairman Quilici asked for figures. Mr. Groepper stated that they asked for \$574,158 and the LFA

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said they needed \$668,419 for a difference of \$94,261 in administration.

(Begin Tape 76, Side B)

He further explained that the big difference they have with the LFA's budget in administration is for the amount of travel that they are asking for in trying to do auditing in county assessor's offices to make sure they are in accordance with statute. They are requesting more travel money for gas and expenses to put these field auditors out in the field making sure the county assessors are following the law. In '83 for travel for in-state in administration the budget was \$27,550. What they are asking for in the Governor's budget is a \$6,000 increase. The LFA had a figure of \$19,765 which is below what they budgeted for in 1983. Mr. Roessner stated the figure they had was the actual 1982 inflated forward.

The other big difference is \$9,000 in the area of "communications." "Communications" is composed primarily of a toll-free line that they established in Helena which was not in place until late 1982. They have found it has saved them money. So the big difference is the increase in the toll-free line and the anticipated increase in what Mt. Bell will be charging for use of the state tie lines.

Chairman Quilici noted that they had \$117,000 each year for autos. The agency is saying delete this because they are going to put that in another category or another agency. He stated they did not need the autos for administration. Their equipment request is comprised of replacing two calculators and a typewriter for the 16 people they have in the office. It was noted that the committee, when they discuss this, will have to determine the adjustment then on "contracted services", "supplies", "communications" and "travel" which are the biggest differences.

There is also a \$5,000 difference in "other expenses." Mr. Groepper explained that they are \$5,000 under what the LFA has suggested. Ms. JanDee May noted that in the department request, they requested that relocation costs be reduced. She believes what the LFA did was to inflate what was actually spent in '82, which was \$5,900, and the department had asked that this be zeroed out. Mr. Groepper added that it was zeroed out in administration, but it shows up in field assessment and appraisal. It was money to move area managers from

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Helena to out-stations in the field where the work is. They expect they might run into this expense at least once in the next biennium.

In "supplies and materials" there is a slight increase in the copying costs. They have to distribute all of their policy statements for assessors and appraisers to 125 offices, and this was never done before. There is an increase in gasoline for the auditors to be traveling, and also for reference books for the reappraisal staff and personal property staff.

Senator Keating noted a \$4,000 difference in "contracted services." Mr. Groepper noted the biggest difference there, as he understands it, is \$2,000 for private legal counsel between them and the LFA. \$1,000 is for increased printing costs over what the LFA has recommended. This is their anticipation of the directives they will have to send out to the assessors and appraisers. There is about \$2,000 on data processing services. Their feeling is that the 1982 expenses were inflated. They started late in the year, and they feel that the \$15,000 they are asking for is a more realistic figure for a full-year operation.

Property Assessment Helena (0082)

He then referred to the narrative for Helena-Based-Appraisals, Exhibit 13. This consists of three people in the Inter-county Property Bureau who value centrally-assessed property that generates about \$45 million in tax a year. There are two people in the Agricultural Bureau, three people in the Inter-county Property Bureau (who do the railroads, airlines, pipelines, etc.), and seven people in the Industrial Property Bureau. There is a difference of one FTE between the agency and the LFA's office. He feels this is most likely the backup in the Inter-county Property Bureau who was not hired until June 1983.

The reason the travel is increased is they had the first two industrial appraisers come on in October, and the last three in March, and if they are not on the rolls, they are not generating travel expenses. They got the \$53,000 by taking the travel they used during the last three months of 1982 when they were fully staffed, and projected this. At that time it was running over \$4,000 a month for travel expenses.

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Ms. Feaver explained more thoroughly the differences in travel and also in data processing were due to the fact that they are doing the work now whereas in 1982 they were not. They will have to have the operating expenses if they are going to continue.

Chairman Quilici asked for clarification of how many FTE's are in this program. Mr. Groepper explained that they have 12 appraisers now, six field industrial appraisers, three in Billings and three in Helena. They have an industrial appraiser bureau chief who is responsible for training these people and helping on the complex plans.

Chairman Quilici noted that in "travel", of \$35,000, \$28,000 of it will be the industrial appraisers getting out where they have not been before. Mr. Groepper noted this was correct, that there was very little travel in the Inter-county Property Bureau which does centrally-assessed property, because of the way the companies report. There is some travel for the Agricultural Bureau. Their projection is that the ag and timber people need to travel half the time to make sure this work is done correctly.

Mr. Groepper stated that they are operating with a budget of about \$9.3 million, and they are requesting roughly \$11.6 million totally.

Chairman Quilici noted that under "contracted services", the \$14,000 difference between the LFA and OBPP is data processing, insurance and bonds and printing, etc. Mr. Groepper said this was correct.

Under "supplies and materials", there is about a \$7,500 difference, Chairman Quilici noted. He wondered why the cars did not come under "equipment." Mr. Groepper explained that the request is for gasoline for the cars. He noted they are not asking for increases over what they spent in the last three months; they are just saying that the last three months of 1982 were a lot more reflective than the whole year, because they weren't fully-staffed during a portion of 1982.

Mr. Groepper also explained in "supplies and materials" in the area of aerial photos, they were replacing these, and there was an expense item of \$47,000 to replace these photos, and this did not quite do all of them. The LFA had recommended they put some money in this category, and their feeling was that

they didn't need to spend money for aerial photos, and this charge was more appropriate at the county level. They would like to eventually get the aerial photo situation in the counties to a point where they can replace 20% of the aerial photos every year at a cost of roughly \$10,000.

Property Assessors and Appraisers (00081) (Exhibit 15)

The first difference is in the FTE's; there is a difference of about 15 from the LFA's budget. He referred the committee to Exhibit 16 which shows where these positions should be eliminated. In justification for the FTE to be eliminated, his understanding is that they looked at the vacancy savings they had in 1982 and said, therefore, you do not need these 15 positions. In the LFA's analysis of their workload, it said there was more than enough workload to use the staff that they had.

Senator Keating wondered why it was taking so long to get this all ready to go when they stated last session they were ready to go at that time, and they are just now getting started. Mr. Groepper explained the staffing had been frozen, and they had no standard hiring practices, etc. Senator Keating interrupted to say that what he was saying is that they were just not ready to go two years ago. Ms. Feaver stated that when she came on board two years ago, things were in an absolute shambles, and it took her a few months to get rid of the prior property tax administrator because he could just not get the job done. She explained that Greg Groepper came in in the fall of '81, and basically had to start from zero. But in a very short time they had the manuals done, the plan done, and the staff organization management controls in place. She feels that, given where they were in January 1981, and the bar graphs that show where they are today, that they have done a great job. Ms. Feaver explained that this is the second time the job has been done. Ag land right now is at 1962 values, and this is the reason the farmers are so upset.

On the FTE's, Mr. Roessner stated that he felt they were going to have to get together with the department to discuss vacancies. Mr. Groepper explained that part of what happened in 1982 is confusing because, in the process of shifting people from the assessor's office to the appraiser offices and the changing workload, they had a lot of positions double-filled during the last couple months of the year. Because they had "personal services" money to do this, they were able to put

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their appraisers on board early enough to get them to the first training session.

So, the year-end Position Control Report had, on June 30, people in two positions, some in position numbers that were in the process of going from being assigned to an assessor's office to an appraiser's office. He could see that this would be confusing for the committee. Chairman Quilici noted that they would need to get together to iron out these differences in FTE.

Senator Keating asked what the FTE count was at the present time, and Mr. Groepper stated it was 406. On vacancy savings the LFA had a figure of 8%. They are also having difficulty getting the positions filled with qualified people.

(Begin Tape 77, Side A)

Greg Groepper explained in "contracted services", as he understood the difference, Petroleum County does not have an assessor, so they contract with this county to do this work. There is a \$7,500 difference for this. In "consulting and professional services" there is \$19,000 reflected in the OBPP, and \$9,000 of this is for the contract to have the assessment work done in Petroleum County. The other major differences come in the area of printing (\$41,000). This reflects an increase in the cost of printing forms, and also this was an area that was never appropriately funded in the past.

The budget in 1983 for "contracted services" was \$408,316. Ms. Feaver explained that \$232,000 of this was in data processing.

Senator Keating noted for clarification for the committee if they were addressing the total "contracted services" that is shown in the OBPP rather than the difference between the agency and the LFA. He was told this was correct. So if the committee were to add up the 1984 request under "contracted services" they would come to \$798,000. Mr. Groepper told Senator Keating that what is addressed are the major areas. There are some smaller areas which aren't addressed with narrative.

Ms. Feaver asked them to concentrate on the differences in data processing instead, because this constitutes \$231,000 of the \$252,000 difference.

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Mr. Groepper stated that he could give the committee a list of the counties that make up part of the \$246,000 for data processing for the assessors. (Exhibit 17)

Mr. Groepper added that the best explanation for data processing for county assessors was that they formerly did this work by hand. The county assessor has to have a copy of this assessment list to do their assessment list, to get ownership records, etc. They have been gradually trying to pay off counties that have been carrying them for several years. Part of the list is counties that have data processing services in their general budget. Because they had spent monies to help counties automate in the past, they have no money budgeted this year to help new counties automate. The list is counties that are either on computer or are waiting to make this decision to see if the Department of Revenue can pay its share. Generally, they pay about a third if it is cost-effective to automate the county.

This list, down to the dotted line, comprises the \$246,000 that is in their budget. This figure is only in there for the first year for the assessors, and is reduced substantially in the second year. There is money in the modified level to do this. He stated usually they can be cost-effective in automating a county if they can reduce its staff by .5 FTE. This is the order in which the counties came to them for assistance, and this is the order they would automate if the committee saw fit to fund that responsibility.

Ms. Feaver added that in this difference of \$250,000 there is also money for the work she described in the overview that they have to do in reappraisal. They have to have money here to pay for the computer costs of the software for the computer when the reappraisal calculations are made.

One of the reasons they are not asking for a lot of staff, Mr. Groepper noted, was that they are trying to take some of what he would describe as the clerical process and automate it. He referred the committee to Exhibit 18, which is a sample cost calculation on appraisal for a piece of property. The computer would take the raw information that is demonstrated on the larger chart (Exhibit 19), and generate an appraised value for the property. This program is running data now in four counties. This would save them some staff work in the field.

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Chairman Quilici noted that there is a \$252,000 difference between the LFA and the OBPP. In 1983 the base used was \$408,316, but they are maintaining that they built into the base the cost of these ongoing computer systems now within the counties. Ms. Feaver stated they have also added to the base what is an ongoing program, and that is generating these calculations on each residential property. This is all in the \$798,000 figure. Greg Groepper stated there is an additional request in the modified level.

In "supplies and materials", the differences are for things the counties are providing for county assessors' offices. They are insufficiently funded to provide things like sufficient addressograph plates, ribbons, computer supplies, paper, etc. Ms. Feaver stated that \$23,000 of this difference was in office and supplies, \$3,800 is for photocopying supplies, \$11,000 is professional supplies, \$62,000 is gasoline to enable the assessors and appraisers to go out into the counties.

Senator Keating stated they are requesting \$109,000 here. There is a \$62,000 difference. He wondered if this had to do with the new cars or more travel. Mr. Groepper stated it was more travel. They have 86 vehicles for the field appraiser staff, and this is, roughly speaking, 800 miles a month per appraiser, and 1,000 miles a month for the head of the office.

Ms. Feaver said the difference in books is \$60,000. In this past biennium they didn't have enough money to buy books for the assessors.

There is one other \$11,000 difference in photographic supplies. In "communications", the differences are in local telephone services. JanDee May noted that the inflation factor that was used for this particular item assumed the majority would be in the Helena area, and they applied that lowered inflation for the central telephone. She does not believe that the LFA applied this to the out-of-town rates. Ms. Feaver noted there is \$34,000 difference between the LFA and OBPP for phones. There is \$43,000 difference in postage, \$13,000 in long distance, and roughly \$500 in STS.

Mr. Groepper mentioned in "postage" that he wanted to say that the forms (in order to get them to the computer) have to be mailed into Helena, and then mailed back out to the county appraiser. They anticipate an increase mainly

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in getting the appraisal forms back out to the county. Also, there are some counties that are paying assessment list postage, and they are really supposed to be paying for this from the state funds. If HB 423 passes, which is a bill to eliminate the requirement of mailing out general assessments if the property does not change, the fiscal note says they could probably reduce their postage requirements by \$60,000 per year by not having to mail out general assessment lists. The budget was created without this assumption. They wanted to bring this to the committee's attention.

Ms. Feaver stated the executive budget has them picking up their share for the counties. She stated they get calls all the time from the counties asking why they are not picking up their share of the costs in various areas.

Chairman Quilici stated that the major discrepancies between the LFA and the OBPP bother him, and he hopes before they go into an executive session on this that they are resolved.

JanDee May noted that it was expected the figures for 1982 were not sufficient to meet the needs to pay 100% of the counties' operating expenses. Therefore, the department came in and asked for an increase to this base. The LFA did not acknowledge any of those increases. She feels, in almost every case, this is the reason for the big differences.

Ms. Feaver noted the difference is \$1.2 million, and it is in this program. It is about 10% lower than the executive. Senator Dover and Senator Keating agreed that they are going to have to take a look at their statutory obligations, and the LFA is going to have to make that comparison before the committee can make a wise decision.

In "repair and maintenance", the differences are \$32,000 in office equipment, and \$91,000 in maintenance contracts. Greg Groepper explained that some of the maintenance contracts for a county showed up in here when they should have been in data processing costs. The difference in 2704, which is office equipment, would be shifted to 2750, which is a line item for maintenance contracts and computers.

In "other expenses", the differences are in registration fees and relocation; \$22,000 in registration fees, and \$6,600 in relocation fees.

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When asked what registration fees were, Mr. Groepper explained that they have to certify their appraisers. They have to provide certification training and testing for their appraisers. Mr. Groepper explained that the equipment is comprised of vehicles and also office equipment. The narrative explains what these differences are. When they made their budget request, they had asked to have the vehicles they had replaced with pickups, and they felt they could reduce the costs even more by propaning the pickups. They did the propaning to two pickups, and so far they have found there has not been much savings. They would like to take off \$750 a truck for all the trucks they have requested, except for six. They would like to propane six trucks and take \$750 a vehicle on the remainder of the trucks out of the budget, and reduce that equipment expense for vehicles on all trucks except for six. For '85, instead of eleven trucks at \$9,700, they want to do eleven trucks at \$8,950. Mr. Groepper explained they need trucks instead of automobiles because the dirt and rough country roads, where most of the appraisal work is done, is tearing up the cars.

(Begin Tape 77, Side B)

Discussion of the type of vehicles being purchased.

Mr. Groepper went on to explain that the rest of the equipment request amounts to about \$42,900 for equipment in the assessors' offices, and \$35,100 for putting it in the appraisers' offices. Basically this amounts to replacing calculators, typewriters and copiers. They based their budget on the fact that on a non-automated county, they would have to replace a calculator every three years, and in an automated county, they could probably get another year out of a calculator.

Chairman Quilici told the agency that they should look over their budget carefully, and if there were any changes they could make and still be able to get the job completed, he thought they should prioritize. Ms. Feaver mentioned they have identified two areas that could be cut, and one was if the bill passed concerning the postage, they could cut out \$60,000. The other was in the area of the cars concerning the \$750 each by deleting the request for propane trucks on all but six of the trucks.

Modifications
Property Assessment Division

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Mr. Groepper explained that the first modification was for 20 FTE. Ms. Feaver stated the title says 23, but under FTE it says 20. (Exhibit 20) The handout is an explanation of where the work is on a historical perspective, and the effect of increased parcels, subdivisions and construction. The first page then shows how many appraiser days the workload amounts to. An appraiser day for residential is 10 appraisals; for commercial appraisals it is 2, and for agricultural it is three a day. Based on these calculations, they feel there are 624 effective workdays left before January 1, 1986. Based on the number of parcels they had to appraise, they figure to finish up the last of the property as of January 1, 1986. It will take approximately 81.3 appraisers to complete the work. Because of the increase projected workload, however, that projection would be that it would take 85.1 FTE.

Their preference is to be finished by July of 1985. Their projection is based on the amount of field work that has to be done. It would take 102.2 appraisers to get them finished by July 1985. When they put the budget together for the OBPP, that projection was 93.1 appraisers, so they have increased their request by 10 because of the increase in workload; especially in the area of new construction.

Page 3 of Exhibit 20 is a summary of what they spent in 1982 on other tasks they were required by statute to do: handling appeals, real estate assessment lists, certification and special projects. These additional tasks that they are required to do amount to another 41.7 appraisers.

Exhibit 21 showed the compilation of hours of office work. These figures indicate that there are about 78 staff positions just to do the clerical work to complete the reappraisal cycle.

So, when you take the "worst" case and say that they only need 85 appraisers to get them done by January 1986, then add to this the approximate 40 positions that they use for other statutory responsibilities they have to do, this would amount to 125 appraisers. Add to this the 78.5 office clerical workers, and this would be 203 staff positions in appraisal at the most conservative estimate. (This would be assuming there was no increase in construction.) There are 178 in appraisal right now, and if you add 20 to 178, you would have

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198. He feels they have workload figures to justify more than the 20 they are requesting to complete the work.

Mr. Groepper went on to explain that they had another modified in their budget for vehicles. Some of the vehicles were in their budget, and some were in the modified level. He referred the committee to Exhibit 22 which is a list of all the vehicles they have, and these are sorted by the number of miles they have on each vehicle. They put between 10,000 and 15,000 miles a year on the vehicles. By December of 1983, they would have about 37 vehicles that would have over 80,000 miles on them. So they are asking for 23 vehicles in '84 in the regular request, and 16 in the modified for a total of 39 in FY84, and they are asking for 23 more in 1985.

The modification for the computers contains \$211,813 for the counties which would take them down through Ravalli County on the list. (See Exhibit 17) He wanted to make it clear, though, that they are insisting that the counties be cost-effective before they become computerized.

Mr. Groepper explained that two of the modifieds are adequately explained in the budget book; the three FTE for industrial appraisal, and one for agriculture.

The other request is for additional operating expenses for data processing appraisal. They expect when this computer program is running completely, this amount will be needed.

He then referred the committee to Exhibit 23 which deals with the railroad lawsuit appropriation. This memorandum explains the status of that railroad account. They started out with \$535,000 in this special appropriation to defend the state's interest against the lawsuits of Burlington Northern, etc. These were scheduled to go to trial in January of 1983. They projected that, of the \$535,000, approximately \$370,700 would be unexpended at this point. There is now an act passed by Congress this past fall for a relief act for airlines, similar to the railroads. He feels it is best to continue this appropriation through the biennium with some sort of language that said it would only be used to deal with legal issues arising under the Federal Non-discriminatory Taxation Act such as tax equity, fiscal responsibility, railroad evaluation reforms, and any subsequent federal legislation that directs the state to take a non-discriminatory posture in the taxation of entities of any businesses doing business in the state.

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When they started preparing for the railroad lawsuit, they had a very rigid appropriation that said they could only use this money for defending the state's interest in the 1980 lawsuit, and that it could only be used for experts and for legal fees. They had other expenses arising out of this which they paid for out of their own budget. Right now, because this was tied only to 1980, they have no appropriation to defend the state's interests against Northwest Airlines, nor the gross receipts tax area. These large organizations are very perceptive. They can look at the agency's budget and see that they don't have any money. The state might end up losing because they do not have the funds to fight a battle in court. They would recommend that the committee fund this appropriation through the next biennium for these reasons.

(Begin Tape 78, Side A)

Senator Van Valkenburg added that he felt the proof of the value of this type of appropriation is the settlement that the State got in the Burlington Northern case. He feels that the fact that the state was there and ready to go to trial helped to get this case settled faster. He feels these appropriations have to be there in order to get those settlements.

Senator Van Valkenburg suggested that before this appropriations bill gets out on the floor, that the department approach the Revenue Oversight Committee.

The hearing was adjourned at 11:10 a.m.

Joe Quilici, Chairman

REPORT EBSR100
DATE : 01/08/83
TIME : 16/25/25

OFFICE OF BUDGET & PROGRAM PLANNING
EXECUTIVE BUDGET SYSTEM
AGENCY/PROGRAM/CONTROL --- BUDGET WORKSHEET

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Exhibit 1
2/16/83

AGENCY : 6101 DEPARTMENT OF ADMINISTRATION
PROGRAM : 24 STATE INSURANCE
CONTROL : 00000

CURRENT LEVEL SERVICES ONLY

AE/OE	DESCRIPTION	FY 83	OBPP FY 84	LFA FY 84	DIFF. FY 84	SUB-CMT. FY 84	OBPP FY 85	LFA FY 85	DIFF. FY 85	SUB-CMT. FY 85
0000	FULL TIME EQUIVALENT (FTE)	700	700	9.00	2.00		700	9.00	2.00	
1100	SALARIES	188,291	171,196	222,810	51,614		170,506	221,962	51,416	
1200	HOURLY WAGES		155		-155		155		-155	
1400	EMPLOYEE BENEFITS	5,441	24,794	31,124	6,330		24,991	31,428	6,437	
1500	HEALTH INSURANCE		6,720	8,640	1,920		6,720	8,640	1,920	
	TOTAL LEVEL	193,782	202,865	262,574	59,709		202,412	262,030	59,618	
2100	CONTRACTED SERVICES	2,090,888	1,353,402	420,138	-933,264	1,204,647	160,601	208,755	-551,846	599,162
2200	SUPPLIES & MATERIALS	3,827	11,246	8,372	-2,874		8,784	5,735	-3,049	
2300	COMMUNICATIONS	3,911	4,251	4,242	-9		4,929	4,916	-13	
2400	TRAVEL	2,946	4,764	4,758	-6		4,981	4,972	-9	
2500	RENT	4,605	6,366	5,316	-1,050		7,006	5,634	-1,412	
2700	REPAIR & MAINTENANCE	3,411	294	292	-2		312	309	-3	
2800	OTHER EXPENSES	657	50,812	811	-50,001		50,861	859	-50,002	
	TOTAL LEVEL	2,110,745	1,431,135	443,929	-987,206		837,114	231,180	-606,334	
	TOTAL PROGRAM	2,304,527	1,634,000	706,503	-927,497		1,039,926	493,210	-546,716	
01100	GENERAL FUND	192,500	215,600	196,630	-18,970		228,536	208,427	-20,109	
06524	INSURANCE PREMIUM	2,112,027	1,418,400	509,873	-908,527		811,390	284,783	-526,607	
	TOTAL PROGRAM	2,304,527	1,634,000	706,503	-927,497		1,039,926	493,210	-546,716	

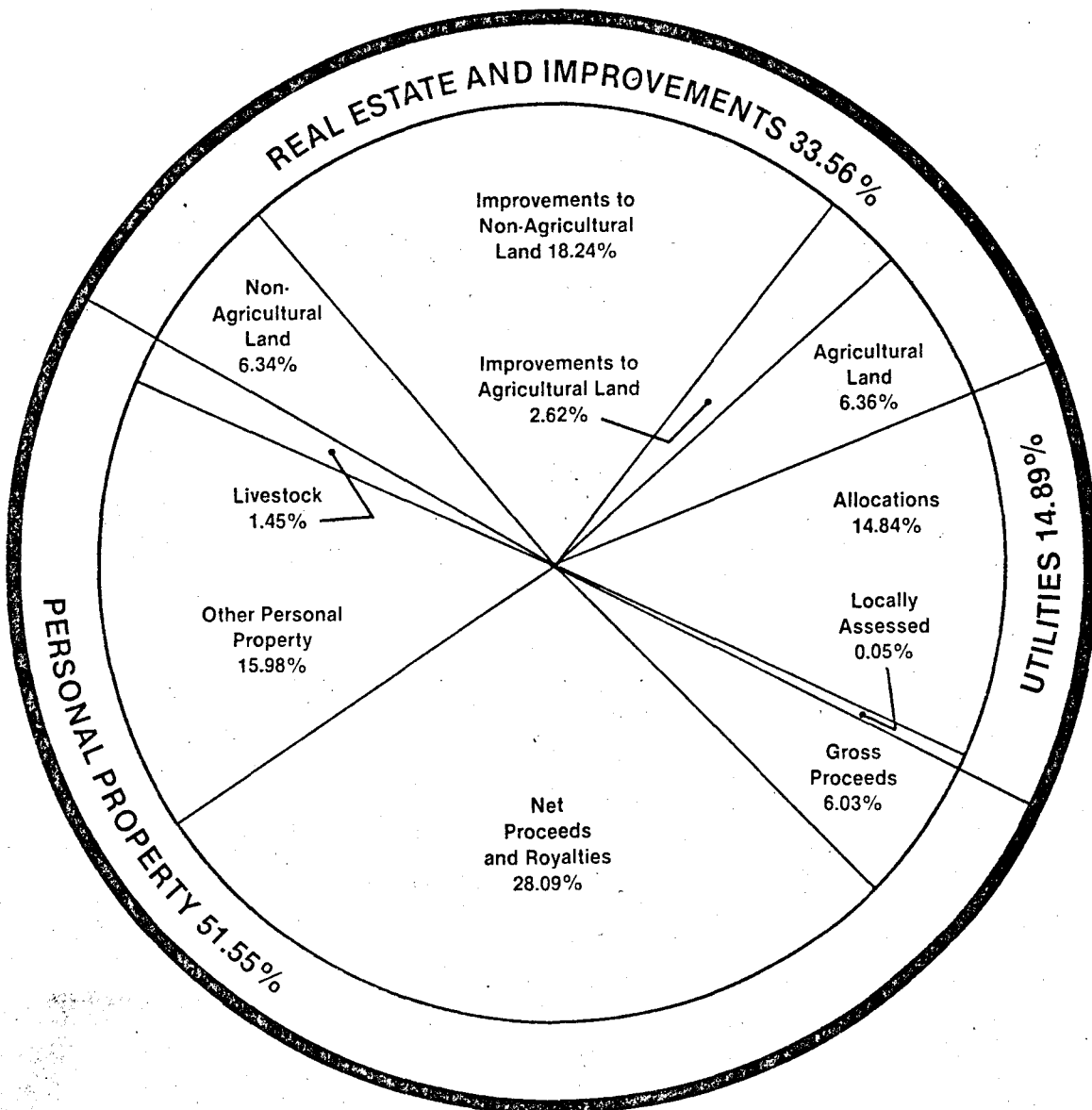
DEPARTMENT OF ADMINISTRATION
Insurance & Legal Division

Budget Issues

- 1) \$7,865 in FY84 and \$8,337 in FY85 should be considered for consulting and professional services.
- 2) Development and maintenance costs on an accident/incident computer program come to \$11,420 in FY84 and \$4,049 in FY85.
- 3) We are unable to determine why the LFA budget figure is so different than the Executive Budget for insurance and bond premiums. However, an additional \$752,154 in FY84 and \$367,930 in FY85 is needed to cover this category.
- 4) No training or education funds are in the LFA budget. \$1,798 in FY84 and \$1,906 in FY85 is needed to cover training and education for 4 attorneys.
- 5) \$160,023 in FY84 and \$169,624 in FY85 is required for private legal counsel.
- 6) Fees for the use of the computerized reference source at the State Law Library not included in the LFA budget total \$2,874 in FY84 and \$3,049 in FY85.
- 7) \$50,000 in FY84 and FY85 respectively is necessary to implement the Council on Management's recommendation for training seminars.

NO
*where would
this be a part*

Exhibit 2
2/16/83



ANALYSIS OF THE 1982 TAX BASE

- 15-8-702. Persons desiring to be listed.
- 15-8-703. Use of duplicate assessment book.
- 15-8-704. Map book.
- 15-8-705. Assessment and map book delivered to and kept by clerk.
- 15-8-706. Statement by agent to the department.
- 15-8-707. Correction of defects in form of assessment book.
- 15-8-708. Omissions in delinquent lists — correction by publication.
- 15-8-709. Statement of changes to be sent to county clerk.
- 15-8-710. Assessment and delinquent books prima facie evidence.

Chapter Compiler's Comments

Select Committee Established: HJR 5 (1981)
established a select committee to resolve ques-

tions relating to the valuation of commercial
and residential property for taxation.

Part 1

General Provisions

15-8-101. Department responsibilities. The department of revenue shall have full charge of assessing all property subject to taxation and equalizing values and shall secure such personnel as is necessary to properly perform its duties.

History: En. Sec. 1, Ch. 61, L. 1925; re-en. Sec. 2001.1, R.C.M. 1935; amd. Sec. 1, Ch. 100, L. 1939; amd. Sec. 2, Ch. 405, L. 1973; amd. Sec. 49, Ch. 566, L. 1977; R.C.M. 1947, 84-402(2).

15-8-102. County assessor as agent of department — counties to furnish office space. (1) The county assessors of the various counties of the state are agents of the department of revenue for the purpose of locating and providing the department a description of all taxable property within the county, together with other pertinent information, and for the purpose of performing such other administrative duties as are required for placing taxable property on the assessment rolls. The assessors shall perform such other duties as are required by law, not in conflict with the provisions of this subsection.

(2) The county commissioners of the various counties shall provide existing office space in the county courthouse for use by the county assessor, his deputies and staff, and the state appraiser and staff, if such space is reasonably available. If such space is not reasonably available in the courthouse and the same must be contracted for, the department shall pay the cost thereof. Additional personal property required by the department for the assessor to perform his duties as agent of the department shall be provided by the department.

(3) The department must provide maps for the use of its agents, showing the private lands owned or claimed in the county and, if surveyed under authority of the United States, the divisions and subdivisions of the survey. Maps of cities and villages or school districts may in like manner be provided. The cost of making such maps is a state charge and must be paid from the state general fund.

History: (1), (2) En. Sec. 1, Ch. 61, L. 1925; re-en. Sec. 2001.1, R.C.M. 1935; amd. Sec. 1, Ch. 100, L. 1939; amd. Sec. 2, Ch. 405, L. 1973; amd. Sec. 49, Ch. 566, L. 1977; Sec. 84-402, R.C.M. 1947; (3) En. Sec. 3732, Pol. C. 1895; re-en. Sec. 2551, Rev. C. 1907; re-en. Sec. 2056, R.C.M. 1921; Cal. Pol. C. Sec. 3658; re-en. Sec. 2056, P.C.M. 1935; amd. Sec. 32, Ch. 405, L. 1973; Sec. 84-509, R.C.M. 1947; R.C.M. 1947, 84-402(1), (4), 84-509.

findings shall be final subject to the right of review in the proper court or courts.

History: En. Sec. 5, Ch. 191, L. 1957; amd. Sec. 17, Ch. 405, L. 1973; R.C.M. 1947, 84-429.11; amd. Sec. 3, Ch. 710, L. 1979.

15-7-103. Classification and appraisal — general and uniform methods. (1) It is the duty of the department of revenue to implement the provisions of 15-7-101 through 15-7-103 by providing:

(a) for a general and uniform method of classifying lands in the state for the purpose of securing an equitable and uniform basis of assessment of said lands for taxation purposes;

(b) for a general and uniform method of appraising city and town lots;

(c) for a general and uniform method of appraising rural and urban improvements;

(d) for a general and uniform method of appraising timberlands.

(2) All lands shall be classified according to their use or uses and graded within each class according to soil and productive capacity. In such classification work, use shall be made of soil surveys and maps and all other pertinent available information.

(3) All lands must be classified by 40-acre tracts or fractional lots.

(4) All agricultural lands must be classified and appraised as agricultural lands without regard to the best and highest value use of adjacent or neighboring lands.

(5) In any periodic revaluation of taxable property completed under the provisions of 15-7-111 after January 1, 1979, all property classified in [15-6-112] must be appraised on its market value in the same year. The department must publish a rule specifying the year used in the appraisal.

History: En. Sec. 6, Ch. 191, L. 1957; amd. Sec. 3, Ch. 512, L. 1973; amd. Sec. 5, Ch. 516, L. 1973; R.C.M. 1947, 84-429.12; amd. Sec. 1, Ch. 710, L. 1979.

15-7-104. Work done under prior law. Any and all work performed or caused to be performed by the boards of county commissioners of the various counties for the classification of lands and appraisal of city and town lots and rural and urban improvements under the provisions of Chapter 198, Laws of 1955, is hereby declared to be valid and of the same effect as if performed under the provisions of present law.

History: En. Sec. 7, Ch. 191, L. 1957; R.C.M. 1947, 84-429.13.

15-7-105. Purpose. In order to produce more uniform appraisal of property throughout the state by encouraging technical training in the principles, methods, and techniques of appraising property and promoting a higher level of professionalism among appraisers, the legislature hereby establishes a system of instruction, examination, and certification for all appraisers.

History: En. Sec. 1, Ch. 602, L. 1979.

15-7-106. Courses of instruction, examination, and certification. (1) The department of revenue shall offer courses in the principles, methods, and techniques of appraising for property tax purposes property in three fields:

(a) residential property;

15-8-103. Department to conduct assessing schools. The department of revenue shall schedule and hold area schools within the state for appraisers and assessors as often as it considers necessary. The costs of such appraisers and assessors attending shall be borne by the state. The department shall notify all assessors and appraisers at least 6 months before such school is scheduled. All assessors and appraisers shall attend.

History: En. 84-708.1 by Sec. 53, Ch. 405, L. 1973; amd. Sec. 1, Ch. 134, L. 1975; amd. Sec. 1, Ch. 381, L. 1975; amd. Sec. 1, Ch. 465, L. 1975; amd. Sec. 9, Ch. 98, L. 1977; amd. Sec. 53, Ch. 566, L. 1977; R.C.M. 1947, 84-708.1(part).

15-8-104. (Temporary) Department audit of taxable value — penalty for underreporting — costs of audit paid by department. (1) When in the judgment of the director of revenue it is necessary, audits may be made for the purpose of determining the taxable value of net proceeds of mines and oil and gas wells, business inventories, and all other types of property subject to ad valorem taxation.

(2) The taxable value of any underreported portion of any business inventory found as a result of an audit to have been underreported by the owner shall be increased by 25% as a penalty for underreporting.

(3) The 25% penalty may be waived by the department if reasonable cause for failure to report the total value of a business inventory is provided to the department.

(4) The cost of the audit shall be paid by the department.

15-8-104. (Effective January 1, 1983) Department audit of taxable value — costs of audit paid by department. (1) When in the judgment of the director of revenue it is necessary, audits may be made for the purpose of determining the taxable value of new proceeds of mines and oil and gas wells and all other types of property subject to ad valorem taxation.

(2) The cost of the audit shall be paid by the department.

History: (1)En. 84-708.9 by Sec. 1, Ch. 235, L. 1975; amd. Sec. 1, Ch. 107, L. 1977; Sec. 84-708.9, R.C.M. 1947; (2)En. 84-708.10 by Sec. 2, Ch. 235, L. 1975; Sec. 84-708.10, R.C.M. 1947; R.C.M. 1947, 84-708.9, 84-708.10; amd. Sec. 1, Ch. 222, L. 1979; amd. Sec. 10, Ch. 634, L. 1979; amd. Sec. 3, Ch. 613, L. 1981.

Compiler's Comments

1981 Amendment: In (1), deleted "business inventories" after "gas wells"; and deleted subsections (2) and (3) relating to business inventories.

Effective Dates: Section 9, Ch. 613, L. 1981.
Sections 1 through 6 are effective January 1, 1983.

(2) Sections 7 through 9 are effective on passage and approval." Approved May 7, 1981.

Applicability: Section 8(1), Ch. 613, L. 1981, provided: "(1) Sections 1 through 6 [15-6-202, 15-8-104, 15-24-301, 15-24-402, and 15-24-403] apply to taxable years beginning after December 31, 1982."

15-8-105 through 15-8-110 reserved.

15-8-111. Assessment — market value standard — exceptions. (1) All taxable property must be assessed at 100% of its market value except as provided in subsection (5) of this section and in 15-7-111 through 15-7-114.

(2) (a) Market value is the value at which property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.

sions of 15-7-111 through 15-7-114 and return to the 5-year cycle.

Section 3. Extension of current revaluation cycle. (1) Notwithstanding the provisions of 15-7-111 through 15-7-114, the current revaluation cycle, implementing 15-7-111, scheduled to end on December 31, 1983, and representing a 5-year period commencing January 1, 1979, is hereby extended for an additional 2 years, ending December 31, 1985. The new values

determined during this period shall be placed on the tax rolls commencing January 1, 1986.

(2) It is not necessary for the department of revenue to commence another 5-year revaluation cycle pursuant to 15-7-111 until January 1, 1986.

(3) The extension provided for in subsection (1) does not affect the validity of any assessments made or to be made or any taxes levied or to be levied during the period January 1, 1979, to December 31, 1985."

15-7-112. Equalization of valuations. The same method of appraisal and assessment shall be used in each county of the state to the end that comparable property with similar true market values and subject to taxation in Montana shall have substantially equal taxable values at the end of each cyclical revaluation program hereinbefore provided.

History: En. 84-429.15 by Sec. 2, Ch. 294, L. 1975; R.C.M. 1947, 84-429.15.

15-7-113. Program exclusive. No program for the revaluation of property shall be implemented for taxation in any county other than as prescribed in 15-7-111 through 15-7-114.

History: En. 84-429.16 by Sec. 3, Ch. 294, L. 1975; R.C.M. 1947, 84-429.16.

15-7-114. Law supplemental. Sections 15-7-111 through 15-7-114 are intended to be supplementary to and are not intended to repeal 15-7-103.

History: En. 84-429.17 by Sec. 4, Ch. 294, L. 1975; R.C.M. 1947, 84-429.17.

15-7-115 through 15-7-120 reserved.

15-7-121. Repealed. Sec. 27, Ch. 693, L. 1979.

History: En. 84-309 by Sec. 72, Ch. 566, L. 1977; R.C.M. 1947, 84-309.

15-7-122. Temporary authority to exceed mill levy limitations. Taxing jurisdictions may adopt and levy for a budget equal to 105% of the preceding year's budget, statutory mill levy limitations notwithstanding, unless the taxable valuation therein has increased to a level which would allow statutory mill levies to produce a budget equal to 105% of the preceding year's budget.

History: En. 84-310 by Sec. 73, Ch. 566, L. 1977; R.C.M. 1947, 84-310.

Part 2

Greenbelt Appraisal

Part Compiler's Comments

Title of 1981 Act Repealing Rollback Tax: The title to Ch. 201, L. 1981 (SB 183), read: "An act repealing the rollback tax on agricultural land; declaring certain taxes discharged; amending sections 15-7-207, 15-7-209, and 15-7-210, MCA; repealing sections 15-7-204, 15-7-205, 15-7-211, 15-7-214, and 15-7-215, MCA; and providing an immediate effective date."

Oversight Committee Report: Although Ch. 201, L. 1981 (SB 183), was not introduced at the

request of the Revenue Oversight Committee, the committee report entitled "Montana's Greenbelt Law", Legislative Council, 1980, addresses the subject of the rollback tax.

Unpaid Rollback Taxes Discharged: Section 2, Ch. 201, L. 1981, provided: "All rollback taxes unpaid or paid under protest on the effective date of this act (March 31, 1981) that constitute a lien on real property in the state are discharged and stricken from the respective tax records."

15-8-112. Assessments to be made on classification and appraisal. (1) The assessments of all lands, city and town lots, and all improvements must be made on the classification and appraisal as made or caused to be made by the department of revenue.

(2) The percentage basis of assessed value as provided for in chapter 6, part 1, is determined and assigned by the department when it makes its annual assessment of the property which it is required to assess centrally under the laws of this state. The department shall transmit such determination and assignment to its agents in the various counties with the assessments so made, and its determination is final except as to the right of review in the state tax appeal board or the proper court.

History: (1) En. Sec. 3, Ch. 191, L. 1957; amd. Sec. 16, Ch. 405, L. 1973; Sec. 84-429.9, R.C.M. 1947; (2) En. Sec. 3, Ch. 61, L. 1925; re-en. Sec. 2001.3, R.C.M. 1935; amd. Sec. 49, Ch. 100, L. 1973; amd. Sec. 2, Ch. 516, L. 1973; amd. Sec. 8, Ch. 98, L. 1977; amd. Sec. 50, Ch. 566, L. 1977; Sec. 84-404, R.C.M. 1947; R.C.M. 1947, 84-404, 84-429.9.

15-8-113. Appeal from percentage assignment. If any taxpayer shall feel aggrieved at the percentage assignment so made by the department of revenue or its agent, he shall have the right to appeal to the county tax appeal board on the percentage assignment the same as he now has on valuations and also the right to appeal from the county tax appeal board to the state tax appeal board, whose findings shall be final except as to the right of review in the proper courts.

History: En. Sec. 2, Ch. 61, L. 1925; re-en. Sec. 2001.2, R.C.M. 1935; amd. Sec. 3, Ch. 405, L. 1973; R.C.M. 1947, 84-403.

15-8-114. Department to prepare blanks and rolls for assessor. It shall be made the duty of the department of revenue to prescribe such forms of assessment blanks and assessor's rolls as will comply with the above provisions, grouping all the same percentage class as nearly as possible in one group on blanks and assessor's roll.

History: En. Sec. 5, Ch. 61, L. 1925; re-en. Sec. 2001.5, R.C.M. 1935; amd. Sec. 3, Ch. 516, L. 1973; R.C.M. 1947, 84-405.

15-8-115. Department to defend property tax appeals — costs and judgments. (1) The department of revenue or its agent is the party defendant in any proceeding before a county tax appeal board, the state tax appeal board, or a court of law that seeks to dispute or adjust an action of the department under 15-8-101 arising from the exercise of the department's duties as prescribed by law or administrative rule. For the purposes of proceedings before county tax appeal boards, service on the department may be obtained by serving the local county assessor.

(2) Costs, if any, shall be assessed against the department and not against a local taxing unit.

(3) In any suit brought in the courts of this state for the refund of taxes paid under protest and those funds are held by the treasurer of a unit of local government in a protest fund, the court shall enter judgment, exclusive of costs, against the treasurer if the court finds the taxes should be refunded.

History: En. Sec. 1, Ch. 589, L. 1979.

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.

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

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

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

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

History: (1) thru (3), (5) En. Sec. 11, Ch. 3, L. 1923; re-en. Sec. 2122.11, R.C.M. 1935; amd. Sec. 56, Ch. 405, L. 1973; amd. Sec. 4, Ch. 155, L. 1977; Sec. 84-711, R.C.M. 1947; (4) Secs. 2113 to 2117 were enacted as Secs. 60 to 70, pp. 96 to 99, L. 1891, appearing as Secs. 3780 to 3790, Pol. C. 1891; re-en. Secs. 2572 to 2582, Rev. C. 1907; Sec. 2582, Rev. C. 1907; re-en. Sec. 2121, R.C.M. 1921; Ch. Pol. C. Sec. 3682; re-en. Sec. 2121, R.C.M. 1935; amd. Sec. 44, Ch. 405, L. 1973; Sec. 84-610, R.C.M. 1947; R.C.M. 1947, 84-610, 84-711.

Part 7

Assessment and Map Books

15-8-701. Assessment book — listing property in. (1) The form of the assessment book must be as directed by the department of revenue.

(2) The department must prepare an assessment book with appropriate headings, alphabetically arranged, in which must be listed all property within the state and in which must be specified, in separate columns under the appropriate head:

(a) the name of the person to whom the property is assessed;

(b) land, by township, range, section or fractional section, and when such land is not a United States land division or subdivision, by metes and bounds or other description sufficient to identify it, giving an estimate of the number of acres, not exceeding in each and every tract 640 acres, locality, and the improvements thereon;

(c) city and town lots, naming the city or town and the number of the lot and block, according to the system of numbering in such city or town, and the value of same with improvements thereon;

(d) all taxable personal property, showing the number, kind, amount, and quality; but a failure to enumerate in detail such personal property does not invalidate the assessment;

(e) the assessed value of real estate other than city or town lots;

(f) the assessed value of city and town lots with improvements thereon, except that a lot and improvements thereon shall be separately listed when required under 15-8-111;

(g) the assessed value of improvements on real estate assessed to persons other than the owners of the real estate. Taxable improvements owned by a person, located upon land exempt from taxation, shall, as to the manner of assessment, be assessed as other real estate upon the assessment roll. No value, however, may be assessed against the exempt land, nor under any circumstances may the land be charged with or become responsible for the assessment made against any taxable improvements located thereon.

(h) the assessed value of all taxable personal property;

(i) the school, road, and other revenue districts in which each piece of property assessed is situated;

(j) the total assessed value of all property.

History: (1)En. 84-502.1 by Sec. 27, Ch. 405, L. 1973; Sec. 84-502.1, R.C.M. 1947; (2)En. Sec. 34, p. 84, L. 1891; re-en. Sec. 3724, Pol. C. 1895; re-en. Sec. 2543, Rev. C. 1907; re-en. Sec. 2048, R.C.M. 1921; Cal. Pol. C. Sec. 3650; re-en. Sec. 2048, R.C.M. 1935; amd. Sec. 26, Ch. 405, L. 1973; amd. Sec. 2, Ch. 209, 1975; amd. Sec. 3, Ch. 436, L. 1975; amd. Sec. 5, Ch. 126, L. 1977; Sec. 84-501, R.C.M. 1947; R.C.M. 1947, 84-501, 84-502.1.

15-8-702. Persons desiring to be listed. (1) Lands once described on the assessment book need not be described a second time, but any person claiming the same and desiring to be assessed therefor may have his name inserted with that of the person to whom such land is assessed.

(2) When the owner of one or more parcels of real property conveys a portion of his interests to a buyer in a recorded transaction, the buyer may require the county treasurer to accept payment from the buyer on such portion of the taxes already levied against such property as may then be due and payable. The department of revenue or its agent shall cooperate with and assist the buyer and the county treasurer in keeping necessary records of the separation or division of a parcel or parcels listed together on the assessment lists.

History: En. Sec. 3731, Pol. C. 1895; re-en. Sec. 2550, Rev. C. 1907; re-en. Sec. 2055, R.C.M. 1921; Cal. Pol. C. Sec. 3657; re-en. Sec. 2055, R.C.M. 1935; amd. Sec. 1, Ch. 283, L. 1975; R.C.M. 1947, 84-508.

15-8-703. Use of duplicate assessment book. (1) The board of county commissioners of any county may in its discretion dispense with the making or use of any duplicate assessment book mentioned in any part of

Part 2

Statement of Levies

15-10-201. Tax levies to be made in mills and tenths and hundredths of mills. Every board of county commissioners, city or town council or commission, and every other board or commission authorized by law to make or fix tax levies for any purpose shall make and fix every such levy in mills and tenths and hundredths of mills.

History: En. Sec. 1, Ch. 123, L. 1935; re-en. Sec. 2148.1, R.C.M. 1935; R.C.M. 1947, 84-3802.

15-10-202. Certification of taxable values and millage rates. At the time that the assessment roll is prepared and published, the department of revenue shall certify to each taxing authority the taxable value within the jurisdiction of the taxing authority. The department shall also send to each taxing authority a written statement of its best estimate of the total assessed value of all new construction and improvements not included on the previous assessment roll and the value of deletions from the previous assessment roll. Exclusive of such new construction, improvements, and deletions, the department shall certify to each taxing authority a millage rate which will provide the same ad valorem revenue for each taxing authority as was levied during the prior year. For the purpose of calculating the certified millage, the department shall use 95% of the taxable value appearing on the roll, exclusive of properties appearing for the first time on the assessment roll.

History: En. 84-7202 by Sec. 2, Ch. 286, L. 1974; R.C.M. 1947, 84-7202.

15-10-203. Increase of tax revenue — notice of intention required. No taxing authority may budget an increased amount of ad valorem tax revenue exclusive of revenue from ad valorem taxation on properties appearing for the first time on the assessment roll unless it gives notice of its intention to do so at the same time and in the same manner that it gives notice of its hearing on its preliminary budget for the forthcoming fiscal year.

History: En. 84-7203 by Sec. 3, Ch. 286, L. 1974; R.C.M. 1947, 84-7203; amd. Sec. 6, Ch. 581, R.C.M. 1979.

15-10-204. Resolution or ordinance for increase over certified millage. No millage in excess of the department of revenue's certified millage may be levied until a resolution or ordinance is approved by the governing board of the taxing authority, which resolution or ordinance must be approved by the taxing authority according to the following procedure:

- 1) The taxing authority shall publish notice of its intent to exceed the department's certified millage in the same manner that it gives notice of its hearing on its preliminary budget for the forthcoming fiscal year. The notice must state that the taxing authority will meet on a day, at a time and place stated in the notice, which must be approximately 7 days after the day that the notice is published, for the purpose of hearing comments regarding the proposed increase and to explain the reasons for the proposed increase. The meeting may coincide with the meeting on the tentative budget as required by law.

- 15-23-804. Taxation of merchantable value.
 15-23-805. Imputed value — procedure for metals.
 15-23-806. Lien of tax.
 15-23-807. Assessment procedures.

Part 1

General Provisions

15-23-101. (Temporary) Properties centrally assessed. The department of revenue shall centrally assess each year:

(1) the franchise, roadway, roadbeds, rails, rolling stock, and all other operating property of railroads operating in more than one county in the state or more than one state;

(2) property owned by a corporation or other person operating a single and continuous property operated in more than one county or more than one state, including telegraph, telephone, microwave, electric power or transmission lines, natural gas or oil pipelines, canals, ditches, flumes, or like properties;

(3) all property of scheduled airlines;

(4) the net proceeds of mines and of oil and gas wells; and

(5) the gross proceeds of coal mines.

15-23-101. (Effective as provided in Compiler's Comment) Properties centrally assessed. The department of revenue shall centrally assess each year:

(1) the franchise, roadway, roadbeds, rails, rolling stock, and all other operating property of railroads operating in more than one county in the state or more than one state;

(2) property owned by a corporation or other person operating a single and continuous property operated in more than one county or more than one state, including telegraph, telephone, microwave, electric power or transmission lines, natural gas or oil pipelines, canals, ditches, flumes, or like properties and including property constructed, owned, or operated by a public agency created by the congress to transmit or distribute electric energy produced at privately owned generating facilities (not including rural electric cooperatives);

(3) all property of scheduled airlines;

(4) the net proceeds of mines and of oil and gas wells; and

(5) the gross proceeds of coal mines.

History: En. 84-7801 by Sec. 1, Ch. 98, L. 1977; R.C.M. 1947, 84-7801; amd. Sec. 4, Ch. 46a L. 1979; amd. Sec. 3, Ch. 478, L. 1981.

Compiler's Comments

1981 Amendment: Added the language pertaining to property of public agencies to the end of (2).

Effective Date — Contingent on Congressional Action: Section 4, Ch. 478, L. 1981, pro-

vided: "This act is not effective until congress passes legislation that allows the state to tax property owned by an agency created by congress to transmit or distribute electric energy."

15-23-102. Notice of assessment — opportunity for conference — appeal. After assessing property under 15-23-101, the department shall

compute the gross value of such mine's product, and such gross value shall be based upon the market value at the point of production. Should there be no quotation covering any particular product, then the department shall fix the value of such gross product in such manner as may seem to be equitable.

History: En. Sec. 6, Ch. 135, L. 1955; amd. Sec. 233, Ch. 516, L. 1973; R.C.M. 1947, 84-6206.

15-23-607. County assessors to compute taxes. (1) Immediately after the board of county commissioners has fixed tax levies on the second Monday in August, the county assessor shall compute the taxes on such net proceeds, except as provided in 15-36-121, and royalty assessments and shall deliver the book to the county treasurer on or before September 15. The county treasurer shall proceed to give full notice thereof to such operator and to collect the same in manner provided by law.

(2) The operator or producer shall be liable for the payment of said taxes and same shall be payable by and shall be collected from such operators in the same manner and under the same penalties as provided for the collection of taxes upon net proceeds of mines; provided, however, that the operator may at his option withhold from the proceeds of royalty interest, either in kind or in money, an estimated amount of the tax to be paid by him upon such royalty or royalty interest. After such withholding any deviation between the estimated tax and the actual tax may be accounted for by adjusting subsequent withholdings from the proceeds of royalty interests.

History: En. Sec. 8, Ch. 135, L. 1955; amd. Sec. 1, Ch. 80, L. 1963; amd. Sec. 235, Ch. 516, L. 1973; amd. Sec. 6, Ch. 256, L. 1977; R.C.M. 1947, 84-6208.

15-23-608. Lien of tax and penalty — enforcement of payment.

(1) The taxes and/or penalties on such net proceeds must be levied as the levy of other taxes is provided for. Every such tax and/or penalty is a lien upon the mine from which the natural gas, petroleum, or crude or mineral oil is mined or extracted and is a prior lien upon all personal property and improvements used in the process of extracting such natural gas, petroleum, or crude or mineral oil; provided, however, that such personal or real property is owned by or under lease by the person who extracted said natural gas, petroleum, or other crude or mineral oil.

(2) The tax and/or penalty on such net proceeds may be collected and the payment thereof enforced by the seizure and sale of the personal property upon which the tax and/or penalty is a lien in the same manner as other personal property is seized and sold for delinquent taxes or by the sale of the mine and improvements as provided for the sale of real property for delinquent taxes or by the institution of a civil action for its collection in any court of competent jurisdiction; provided, however, that a resort to any one of the methods of enforcing collection, as herein provided for, shall not bar the right to resort to either or both of the other methods but that any two or all of the methods herein provided for may be used until the full amount of such tax and/or penalty is collected.

History: En. Sec. 13, Ch. 135, L. 1955; amd. Sec. 2, Ch. 159, L. 1969; R.C.M. 1947, 84-6213.

15-23-609. Statement required on dissolution of corporation during taxpaying year. Every person who shall cease to do business in this state during any taxpaying year shall make statements, reports, and

- (b) agricultural land; and
- (c) commercial and industrial property.

(2) Twice each year the department shall conduct an examination for those who have completed a course of instruction in any of the three fields listed in subsection (1).

(3) The department shall issue a certificate to each appraiser successfully completing a course of instruction and passing an examination in any of these fields.

(4) No person may take the examination for appraising commercial and industrial property unless he holds a certificate in appraising residential property.

History: En. Sec. 2, Ch. 602, L. 1979.

15-7-107. Certification required. (1) Within 1 year after his employment by the department or by July 1, 1980, whichever occurs later, any appraiser employed by the department to appraise:

(a) residential property must obtain a certificate in appraising residential property;

(b) agricultural land must obtain a certificate in appraising agricultural land; and

(c) commercial and industrial property must obtain a certificate in appraising commercial and industrial property.

(2) The department may promulgate rules requiring appraisers to complete continuing education courses in laws, rules, and methods relating to appraisal.

History: En. Sec. 3, Ch. 602, L. 1979.

15-7-108 through 15-7-110 reserved.

15-7-111. Periodic revaluation of taxable property. The department of revenue shall administer and supervise a program for the revaluation of all taxable property within the state at least every 5 years. A comprehensive written plan of rotation shall be promulgated by the department fixing the order of revaluation of property in each county on the basis of the last revaluation of taxable property in each county prior to July 1, 1974, in order to adjust the disparities therein between the counties. The plan of rotation so adopted shall provide that all property in each county shall be revalued at least every 5 years or that no less than 20% of the property in each county shall be revalued in each year. The department shall furnish a copy of the plan and all amendments thereto to each county assessor and the board of county commissioners in each county.

History: En. 84-429.14 by Sec. 1, Ch. 294, L. 1975; R.C.M. 1947, 84-429.14.

Compiler's Comments

Extension of Revaluation Cycle: Chapter 350, L. 1981, provided: "Section 1. Policy. It is the policy of Montana to provide for equitable assessment of taxable property in the state and to provide for periodic revaluation of taxable property in a manner that is fair to all taxpayers.

Section 2. Purpose. (1) It is the purpose of this act to provide an additional 2 years for

completion of the current revaluation cycle, implemented pursuant to 15-7-111 through 15-7-114, in order to permit the department of revenue to comply with the revaluation requirements of 15-7-111 through 15-7-114 in a manner that implements the policy provided for in section 1.

(2) This act serves to extend the current cycle only. It is intended that after the extended cycle, the department will implement the

law change

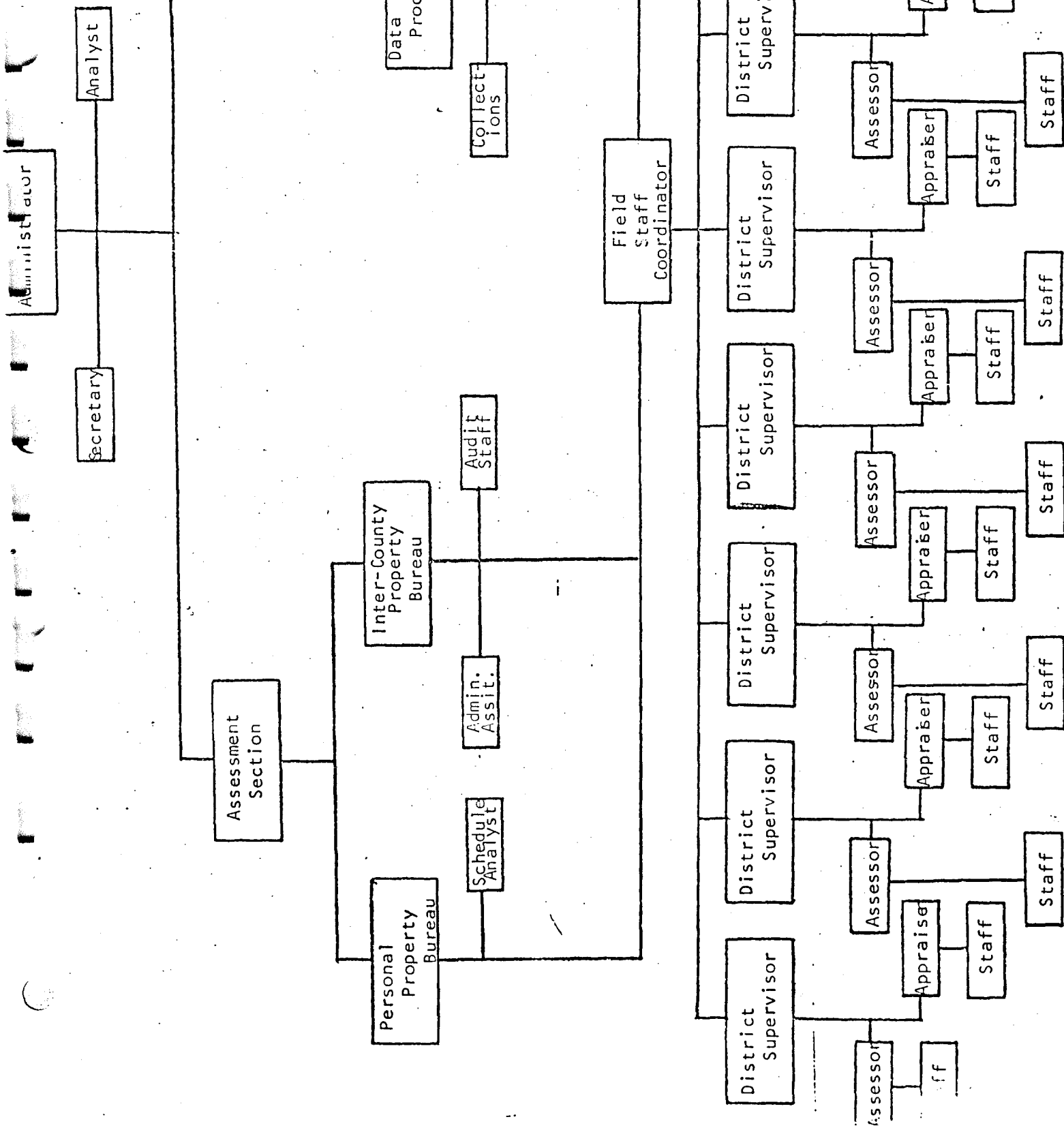


exhibit 5
2/16/83
2/14/83

PROPERTY ASSESSMENT DIVISION STAFFING
(End of First Reappraisal Cycle)

FISCAL YEAR 1977

Current Level	632.47	FTE
Modified Level	133.00	FTE
Total	<u>765.47</u>	FTE

FISCAL YEAR 1978

Current Level	631.83	FTE	at FY start
New Current Level	655.83	FTE	during Fiscal Year
Modified Level	127.00	FTE	
Total	<u>782.83</u>	FTE	

FISCAL YEAR 1979

Current Level	481.83	FTE	at FY start
New Current Level	476.21	FTE	during Fiscal Year
Modified Level	127.00	FTE	
Total	<u>603.21</u>	FTE	

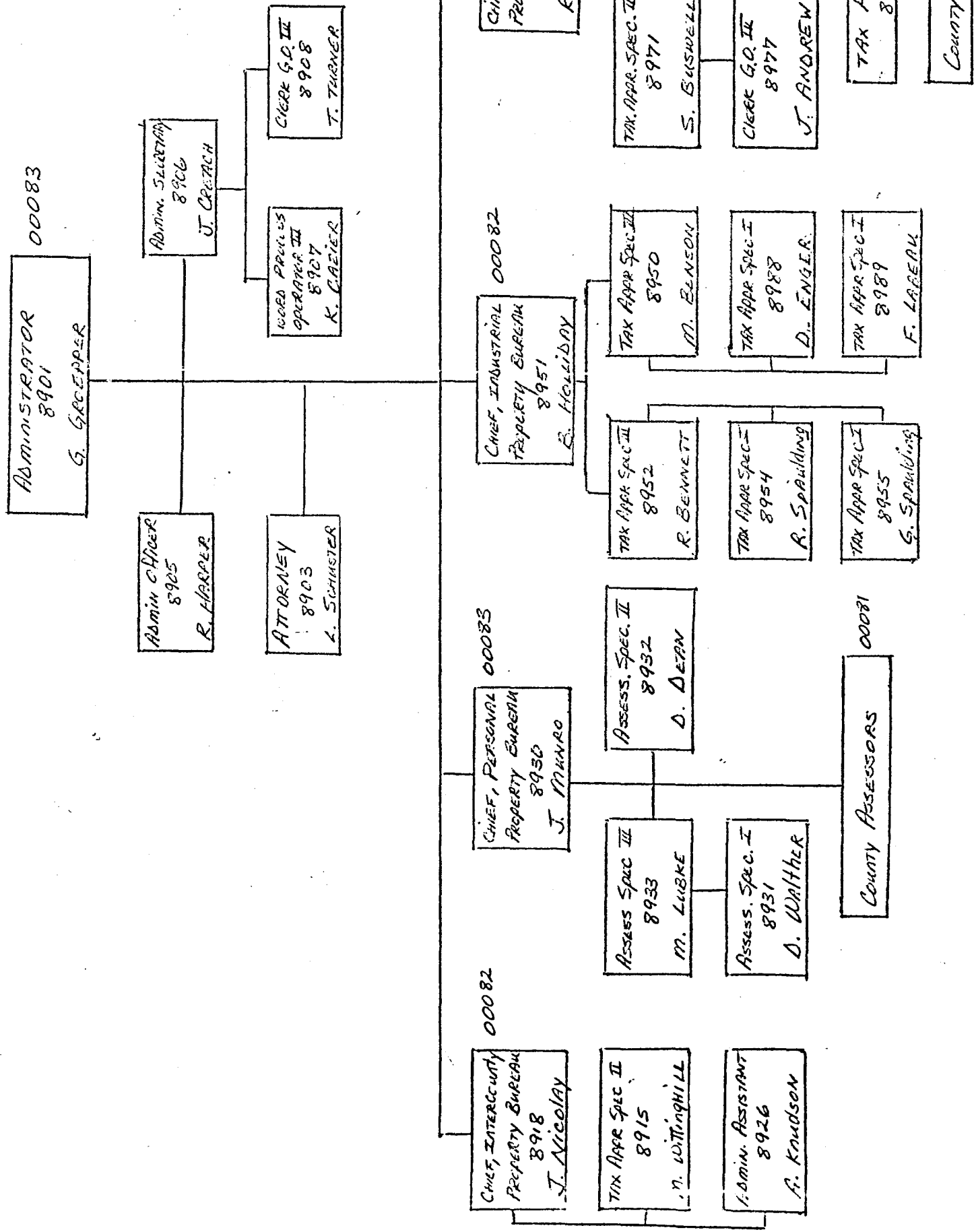
Projected staffing 440 FTE

PROPERTY ASSESSMENT DIVISION

ORGANIZATIONAL CHART

JAN. 1, 1983

exhibit 6
2/16/83



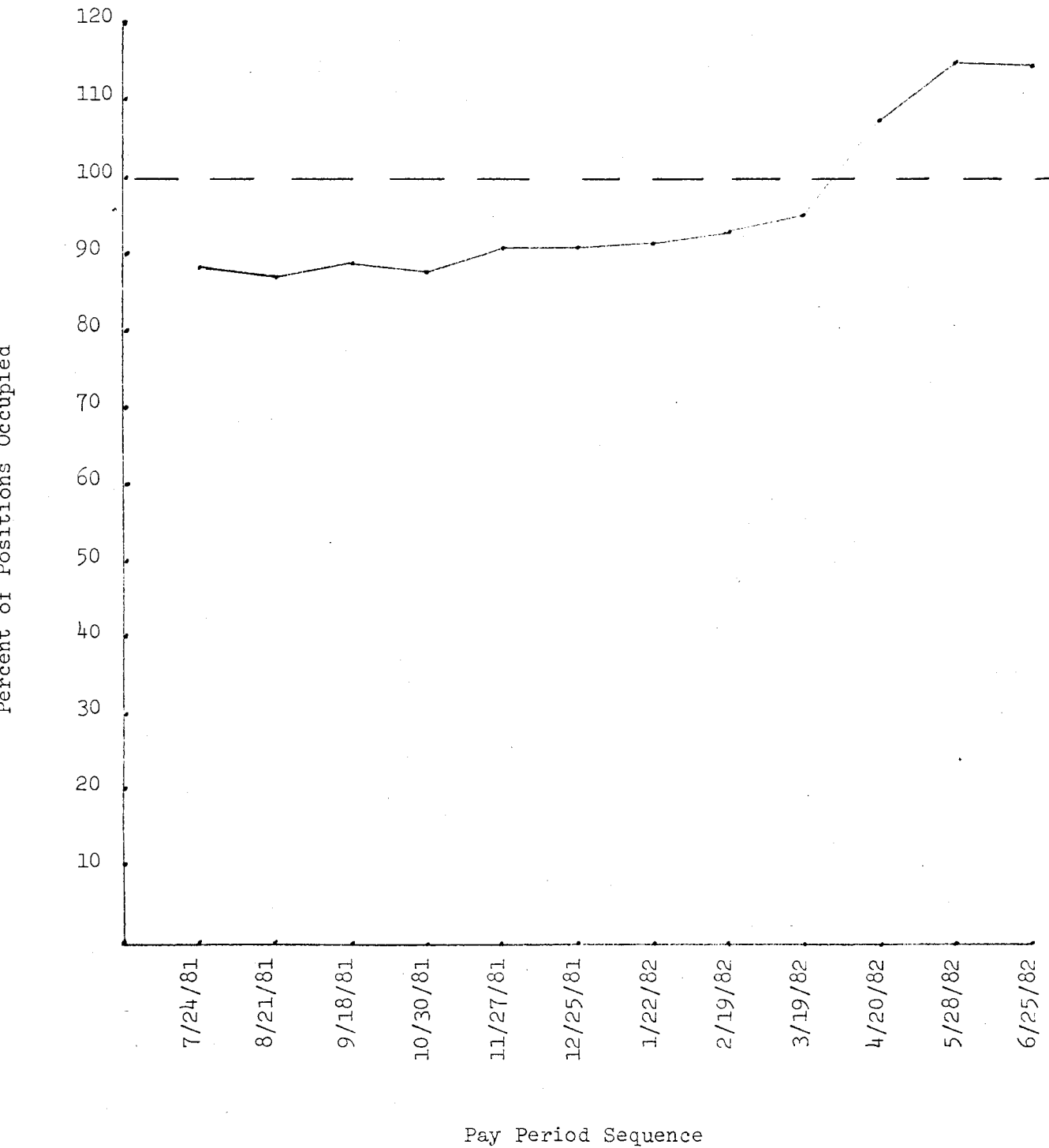
Appraisal Office Vacancy

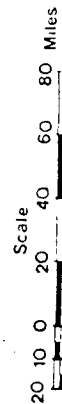
Status:

Fiscal Year 1982

exhibit 7

2/16/83

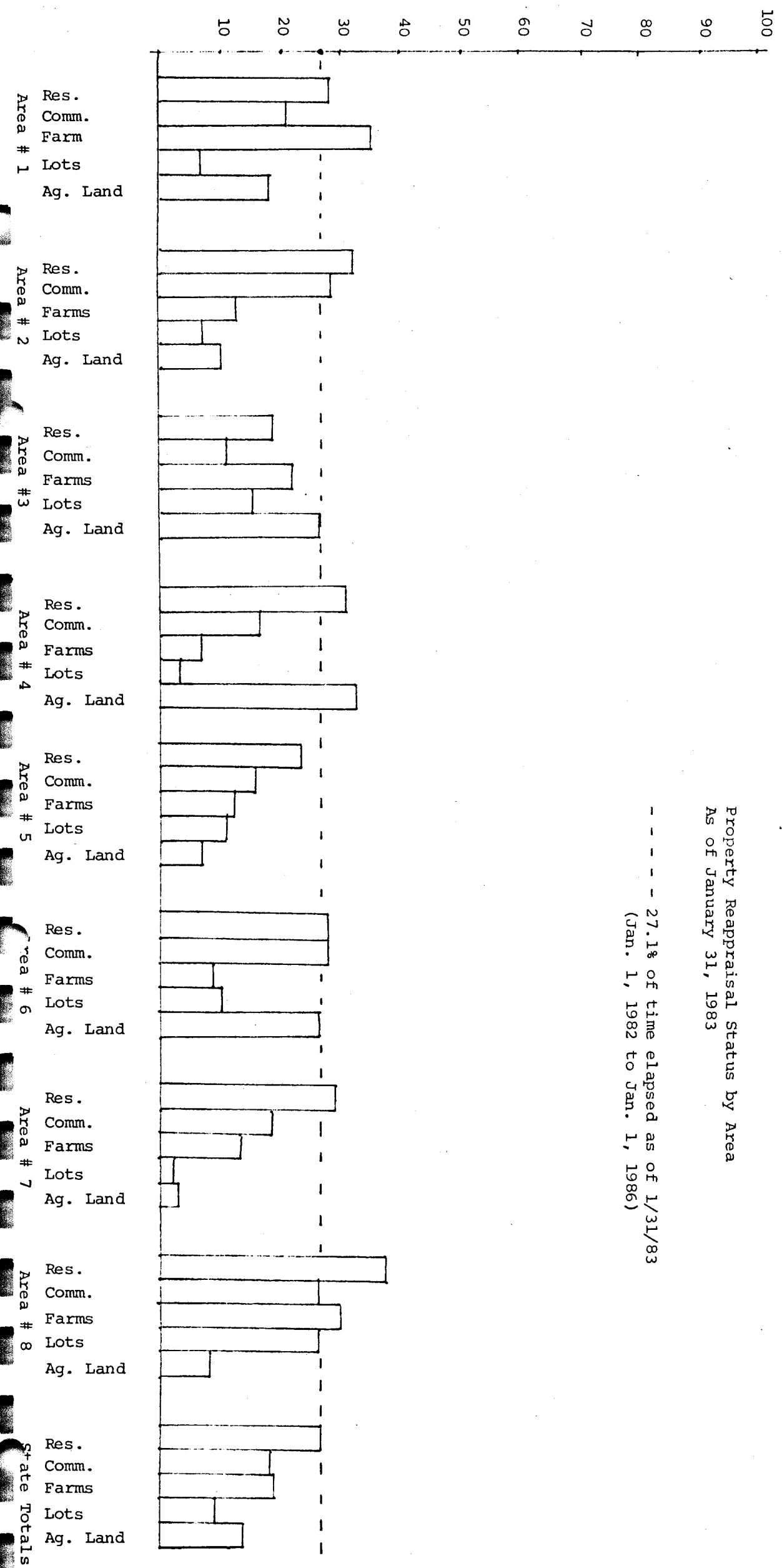




Dep. of Rev.
Property Assessment

Property Reappraisal Status by Area
As of January 31, 1983

----- 27.1% of time elapsed as of 1/31/83
(Jan. 1, 1982 to Jan. 1, 1986)



REAPPRAISAL PROGRESS
AS OF 2/1/83

4471 35 100
Property Assessed

AREA	VARIANCE HOURS	TOTAL RESIDEN- TIAL	RESIDENTIAL COMPLETED			TOTAL COMMER- CIAL			COMMERCIAL COMPLETED			TOTAL FARM- STEADS			FARMSTEADS COMPLETED		
			FOR MONTH	%	TO DATE	FOR MONTH	%	TO DATE	FOR MONTH	%	TO DATE	FOR MONTH	%	TO DATE	FOR MONTH	%	TO DATE
1	581.2	12,696	95	.7	3,552	28.0	2,383	10	.4	503	21.1	7,265	83	1.1	2,566	35.3	
2	1,144.0	9,098	70	.8	2,917	32.1	1,675	24	1.4	478	28.5	4,030	23	.6	512	12.7	
3	2,898.0	46,861	82	.2	8,659	18.5	9,241	31	.3	999	10.8	5,043	19	.4	1,114	22.1	
4	1,064.25	26,363	701	2.7	8,179	31.0	6,004	135	2.2	993	16.5	5,424	38	.7	363	6.7	
5	1,901.0	34,903	414	1.2	8,188	23.5	5,466	51	.9	868	15.9	5,502	107	1.9	674	12.3	
6	990.5	30,851	546	1.8	8,666	28.1	4,197	72	1.7	1,176	28.0	3,307	13	.4	304	9.2	
7	1,423.5	58,904	1079	1.8	17,459	29.6	10,191	73	.7	1,909	18.7	10,541	63	.6	1,450	13.8	
8	940.5	14,918	339	2.3	5,674	38.0	3,847	91	2.4	1,022	26.6	8,515	17	.2	2,553	30.0	
TOTALS	10,942.95	234,594	3,326	1.4	63,294	27.0	43,004	487	1.1	7,948	18.5	49,627	363	.7	9,536	19.2	

Percent Reappraisal cycle Elapsed:

Completion date 7/1/85 31% (13 of 42 months)

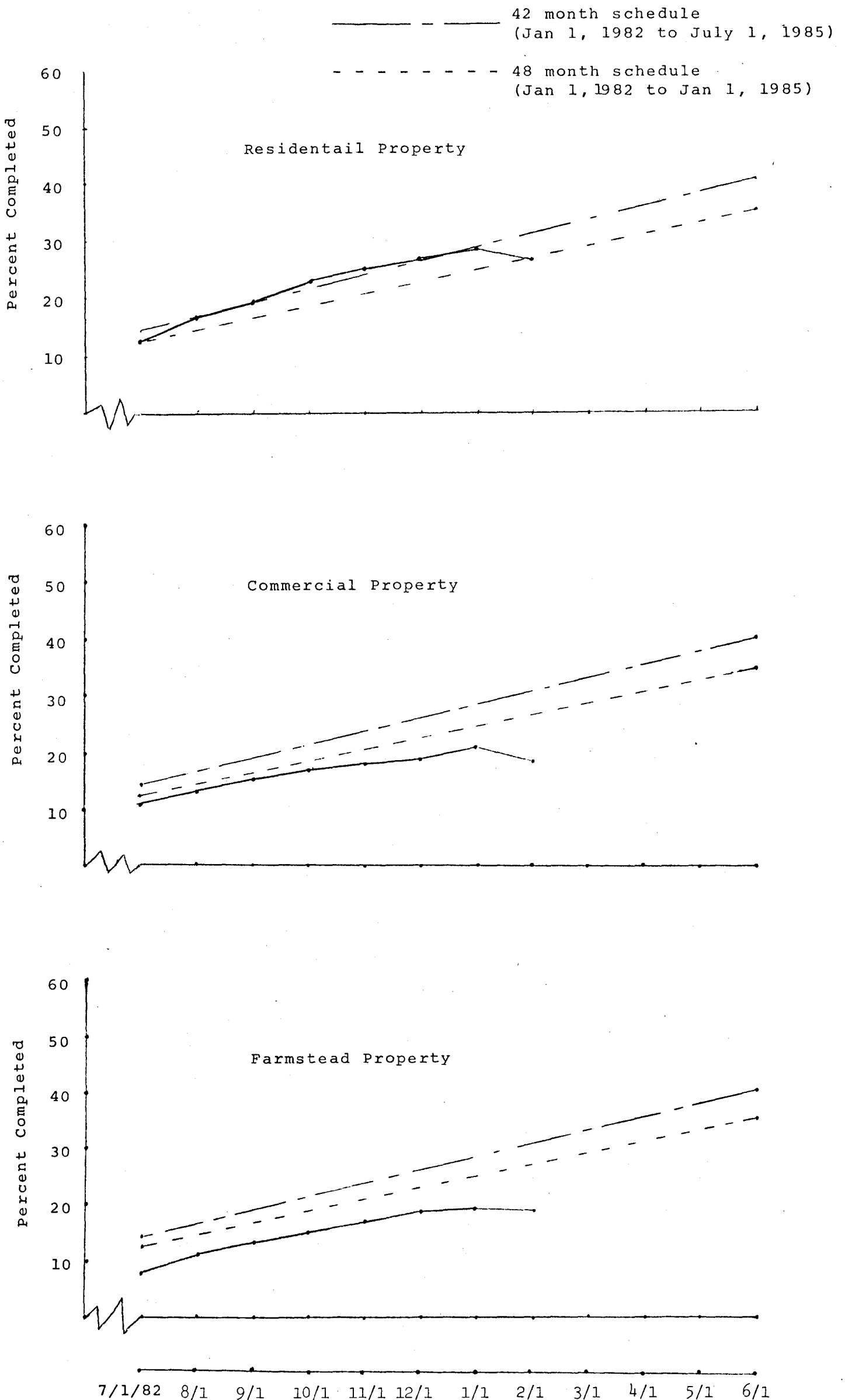
Completion date 1/1/86 27.1% (13 of 48 months)

REAPPRAISAL PROGRESS
AS OF 2/1/83

AREA	TOTAL LOTS & TRACTS	LOTS & TRACTS COMPLETED			TOTAL AGRICUL- TURAL			AGRICULTURAL LAND COMPLETED			TOTAL MOBILE HOMES			MOBILE HOMES COMPLETED		
		FOR MONTH	%	TO DATE	%	FOR MONTH	%	TO DATE	%	FOR MONTH	%	TO DATE	%			
1	25,074	7	0	1,687	6.7	8,647,289	0	0	0	3,336	53	1.6	596	17.9		
2	25,585	906	3.5	1,803	7.0	7,846,447	78,073	1.0	785,556	3,772	50	1.3	224	5.9		
3	102,409	144	.1	16,063	15.7	8,512,874	30,160	.4	2,245,070	11,802	146	1.2	189	1.6		
4	74,460	309	.4	2,744	3.7	7,227,801	21,227	.3	2,355,980	4,782	84	1.8	108	2.3		
5	114,832	1,383	1.2	13,179	11.5	4,953,486	39,818	.8	358,841	7,107	22	.3	313	4.4		
6	82,033	1,103	1.3	8,421	10.3	4,067,048	7,373	.2	1,086,679	4,797	32	.7	666	13.9		
7	157,914	6	0	3,770	2.4	3,464,102	3,087	.1	114,574	15,261	38	.2	1,092	7.2		
8	47,107	617	1.3	12,455	26.4	11,062,088	4,237	0	907,889	3,678	32	.9	359	9.8		
TOTALS	629,414	4,475	.7	60,122	9.6	55,781,135	183,975	.3	7,854,589	54,535	457	.8	3,547	6.5		

2/16/83

Property Reappraisal Progress Graphs



BIENNIUM 84-85 BUDGET REQUEST
THIRD LEVEL EXPLANATION

00083 Property Assessment Admin.
(Includes 0860 Admin., 0870 Personal and 0880 Res/Com)

OPERATING EXPENSES

2100 Contracted Services

2102 Consulting and Prof. Services

a. FY'82 spent \$2,271 c. FY'84 requested \$2,597
b. FY'82 Adjusted \$2,311 d. FY'85 requested \$2,753

The amounts requested are for assistance in developing and defending complex taxation schedules and procedures.

2103 Data Processing Services

a. FY'82 spent \$12,372 c. FY'84 requested \$15,034
b. FY'82 Adjusted \$13,380 d. FY'85 requested \$15,936

These amounts are for the automated appeal system, personnel information system, vehicle statistics and forms inventory system. These systems were activated during FY'82 so FY'82 spent only reflects partial annual costs.

2110 Printing

a. FY'82 spent \$2,365 c. FY'84 requested \$3,641
b. FY'82 adjusted \$3,241 d. FY'85 requested \$3,859

Numerous policy statements, information memos, personnel forms, etc. mandate printing funding. Many of these printing requirements were new in FY'82 and costs weren't reflected in the FY'82 spent.

2157 Private Legal Counsel

a. FY'82 spent \$11,931 c. FY'84 requested \$4,180
b. FY'82 adjusted \$ 3,720 d. FY'85 requested \$4,431

Reduced to reflect deletion of a one-time expense incurred in FY'82. The remainder is for ongoing administrative rule hearings.

2200 Supplies and Materials

2212 Photo and Reproduction

a. FY'82 spent \$2,281 c. FY'84 requested \$2,900
b. FY'82 adjusted \$2,581 d. FY'85 requested \$3,074

The increase from FY'82 spent is for additional anticipated copies of memos, policies, schedules, etc. in the Res/Com Bureau.

2216 Gasoline

a. FY'82 spent \$4,122 c. FY'84 requested \$6,628
b. FY'82 adjusted \$6,199 d. FY'85 requested \$7,357

The increase here is due to Personal Property increasing staff travel to perform field audit work of the assessors' offices.

2225 Books and Reference Materials

a. FY'82 spent \$2,896 c. FY'84 requested \$5,156
b. FY'82 adjusted \$4,589 d. FY'85 requested \$5,465

The increase includes request for adequate personal property guide books and reappraisal reference materials which the Res/Com Bureau does not currently have.

2300 Communications

2301 Telephone - Local Services

a. FY'82 spent \$4,136 c. FY'84 requested \$3,152
b. FY'82 adjusted \$4,568 d. FY'85 requested \$3,688

Adjusted downward for Biennium 84-85 in accordance with Department standards.

2302 Telephone Long Distance

a. FY'82 spent \$ 1,168 c. FY'84 requested \$11,442
b. FY'82 adjusted \$10,582 d. FY'85 requested \$12,129

The increase here is due to installation of a toll-free line at \$790.00 per month.

2304 Postage

a. FY'82 spent \$11,872 c. FY'84 requested \$12,885
b. FY'82 adjusted \$12,481 d. FY'85 requested \$14,398

Res/Com Bureau anticipates additional mailings of appraisal instructions to area managers and appraisal offices, once automated residential appraisal is fully operational.

2314 Telephone - STS Use

a. FY'82 spent \$6,003 c. FY'84 requested \$ 9,531
b. FY'82 adjusted \$5,956 d. FY'85 requested \$11,437

Increase reflects anticipated increased cost in accordance with Department standards.

2400 Travel

2401 In-state Personal Car Mileage

a. FY'82 spent \$1,123 c. FY'84 requested \$2,365
b. FY'82 adjusted \$2,105 d. FY'85 requested \$2,507

Increase in personal property Bureau \$840.00; Res/Com Bureau increase by \$140.00

2404 In-state Motor Pool

a. FY'82 spent \$1,553 c. FY'84 requested \$3,216
b. FY'82 adjusted \$2,862 d. FY'85 requested \$3,409

Res/Com Bureau anticipates the need for 600 miles per month of motor pool use for compliance audits, plus division attorney travel on contested tax cases.

2407 In-state Meals
a. FY'82 spent \$6,903 c. FY'84 requested \$9,358
b. FY'82 adjusted \$9,358 d. FY'85 requested \$9,358
Personal property expects more workshops, meetings, etc. and more people on travel status. Admin. now has an attorney on the staff whose expenses were not reflected in FY'82.

2408 In-state Lodging
a. FY'82 spent \$ 7,348 c. FY'84 requested \$11,812
b. FY'82 adjusted \$11,812 d. FY'85 requested \$11,812
Admin. increase for attorney \$1,050
Personal Bureau increase \$3,414

2412 Out-of-state Commercial Trans.
a. FY'82 spent \$ 8 c. FY'84 requested \$1,685
b. FY'82 adjusted \$1,500 d. FY'85 requested \$1,786
Res/Com Bureau requires advanced training in appraisal which is expected to be available only out of state.

2417 Out-of-state Meals
a. FY'82 spent \$ 23 c. FY'84 requested \$472
b. FY'82 adjusted \$472 d. FY'85 requested \$472
This increase is affiliated with out-of-state training in appraisal for Res/Com Bureau personnel.

2418 Out-of-state Lodging
a. FY'82 spent \$ 57 c. FY'84 requested \$950
b. FY'82 adjusted \$950 d. FY'85 requested \$950
This increase is affiliated with out-of-state training in appraisal for Res/Com Bureau personnel

2500 Rent - Mitchell Building FY'84 \$17,476; FY'85 \$19,340

2700 Repair and Maintenance

2704 Office Equipment
a. FY'82 spent \$2,357 c. FY'84 requested \$8,304
b. FY'82 adjusted \$7,391 d. FY'85 requested \$8,802
Admin. requires maintenance on System VI and new word processing system - increase \$4,710. Res/Com Bureau needs an increase of \$324 for 4 calculators and a computer terminal.

2727 Tires and Tubes
a. FY'82 spent \$215 c. FY'84 requested \$687
b. FY'82 adjusted \$611 d. FY'85 requested \$728
Personal Property requests an increase of \$396.00 for tires for their two vehicles.

2800 Other Expenses

2809 Registration fees for Training Conferences
a. FY'82 spent \$ 886 c. FY'84 requested \$1,440
b. FY'82 adjusted \$1,440 d. FY'85 requested \$1,440
Sixteen FTE at \$90.00 each is \$1,440.

2822 Freight and Express

a. FY'82 spent \$107

c. FY'84 requested \$561

b. FY'82 adjusted \$499

d. FY'85 requested \$595

Res/Com Bureau uses UPS to ship RDCF-3s, manuals, calculators, etc. to and from the counties.

3000

Equipment

Requested FY'84:

Administration \$ 790.00 two calculators and two chairs.

Personal \$1,000.00 calculators and chairs

Res/Com \$ 492.00 one calculator, one microfiche reader
and one proportional divider.

Total \$2,282.00

Requested FY'85:

Administration \$ 400.00 two calculators at \$200 each

Personal \$1,000.00 calculators and chairs

Res/Com -0-

Total \$1,400.00

Property Assessment

exhibit 13

2/16/83

REPORT PAGE NO. 1 OF 3
CONSECUTIVE PAGE NO. 6942
BAS FORM 662
REPORT 3365.01
ECORD FJR AGENCY 5801

STATE OF MONTANA
REPORTING CENTER FINANCIAL REPORT
FOR THE MONTH OF: JULY, 1982
CENTER 34 - ADMINISTRATION ROLL-UP

REPORT DATE: 08/06/82
ADMINISTRATION ROLL-UP
W. GROEPPER
ROOM 426 MITCHELL BLDG
SUMMARY
PERCENT ELAPSED TIME: YTD 8% (PAYROLLS 7%)

BALANCE %
COL/COM

ENCUMBERED

PRIOR
YEAR

CURRENT
YEAR

CURRENT
MONTH

BUDGET

FY

ART A - SUMMARY OF CENTERS

86000 - RESPONSIBILITY 07/01/82
PROPERTY ASSESSMENT-ADMIN. 06/30/83

BEGINNING BALANCE

TOTAL INCOME

1000-TOTAL PERSONAL SERVICES

2000-TOTAL OPERATING EXPENSES

3000-TOTAL EQUIPMENT

TOTAL EXPENSE

INCOME LESS EXPENSE

ENDING BALANCE

138,870.74 5%

60,029.22 3%

10,000.00

208,899.96 4%

8,901.04-

774.00

774.00

8,074.26

826.78

8,901.04

8,901.04-

146,945.00

61,630.00

10,000.00

218,575.00

87000 - RESPONSIBILITY 07/01/82
PERSONAL PROPERTY SECTION 06/30/83

BEGINNING BALANCE

TOTAL INCOME

1000-TOTAL PERSONAL SERVICES

2000-TOTAL OPERATING EXPENSES

3000-TOTAL EQUIPMENT

TOTAL EXPENSE

INCOME LESS EXPENSE

ENDING BALANCE

111,076.68 6%

19,969.25 34%

500.00

131,545.93 12%

7,656.82-

9,454.25

9,454.25

6,980.32

676.50

7,656.82

7,656.82-

118,057.00

30,100.00

500.00

148,657.00

88000 - RESPONSIBILITY 07/01/82
RESIDENTIAL & COMMERCIAL SECTION 06/30/83

BEGINNING BALANCE

TOTAL INCOME

1000-TOTAL PERSONAL SERVICES

2000-TOTAL OPERATING EXPENSES

3000-TOTAL EQUIPMENT

TOTAL EXPENSE

INCOME LESS EXPENSE

ENDING BALANCE

105,152.79 7%

5,535.14-

200.00

99,817.65 21%

8,709.90-

18,018.45

18,018.45

7,603.21

1,106.69

8,709.90

8,709.90-

112,756.00

13,590.00

200.00

126,546.00

TOTAL FOR CENTER

BEGINNING BALANCE

TOTAL INCOME

TOTAL EXPENSE

INCOME LESS EXPENSE

ENDING BALANCE

440,263.54 11%

25,267.76-

28,246.70

25,267.76

25,267.76-

493,778.00

25,267.76

PART B - OBJECT SUMMARY

EXPENSES

	BUDGET	CURRENT MONTH	CURRENT YEAR	PRIOR YEAR	ENCUMBERED	BALANCE	% COM
3000 -EQUIPMENT	10,700.00					10,700.00	
* * * -TOTAL FOR EXPENSES	493,778.00	25,267.76	25,267.76		28,246.70	440,263.54	11%

PART C - FUNDING SUMMARY

01100 GENERAL FUND ACCOUNT

APPROP. REV. EST.

	BUDGET	CURRENT MONTH	CURRENT YEAR	PRIOR YEAR	ENCUMBERED	BALANCE	% COL/COM
EXPENSE	493,778.00	25,267.76	25,267.76		28,246.70	440,263.54	11%

TOTAL - FUNDING SUMMARY

INCOME

EXPENSES	493,778.00	25,267.76	25,267.76		28,246.70	440,263.54	11%
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BEGINNING BALANCE			
TOTAL INCOME	421,467.00	18,733.84	18,733.84
TOTAL EXPENSE			18,733.84-
INCOME LESS EXPENSE		6,062.50	396,670.06
ENDING BALANCE			18,733.84-

PART B - OBJECT SUMMARY	BUDGET	CURRENT MONTH	CURRENT YEAR	PRIOR YEAR	ENCUMBERED	BALANCE	% COM
* * PERSONAL SERVICES							
SALARIES							
1101 REGULAR		14,375.45	14,375.45				
1113 LONGEVITY		112.80	112.80				
1100-SALARIES	259,234.00	14,488.25	14,488.25			244,745.75	6%
EMPLOYEE BENEFITS							
1401 FICA		970.72	970.72				
1402 RETIREMENT - OTHER		915.65	915.65				
1403 GROUP INSURANCE		699.34	699.34				
1404 WORKERS COMPENSATION INSUR		84.44	84.44				
1410 STATE UNEMPLOYMENT TAX		115.90	115.90				
1400-EMPLOYEE BENEFITS	56,876.00	2,786.05	2,786.05			54,089.95	5%
1000 -PERSONAL SERVICES	316,110.00	17,274.30	17,274.30			298,835.70	5%
* * OPERATING EXPENSES							
CONTRACTED SERVICES							
2100-CONTRACTED SERVICES	24,700.00				6,062.50	18,637.50	25%
SUPPLIES & MATERIALS							
2216 GASOLINE		12.03	12.03				
2200-SUPPLIES & MATERIALS	9,520.00	12.03	12.03			9,507.97	
COMMUNICATIONS							
2301 TELEPHONE - LOCAL SERV & EQUIP		35.21	35.21				
2302 TELEPHONE - LONG DISTANCE USE		20.56	20.56				
2304 POSTAGE & MAILING		25.00	25.00				
2309 ADVERTISING		10.80	10.80				
2300-COMMUNICATIONS	1,830.00	91.57	91.57			1,738.43	5%
TRAVEL							
2401 IN-STATE PERSONAL CAR MILEAGE		73.10	73.10				
2407 IN-STATE MEALS		183.00	183.00				
2408 IN-STATE LODGING		228.00	228.00				
RENT							
2400-TRAVEL	56,402.00	484.10	484.10			55,917.90	1%
RENT							
2502 BUILDINGS		458.34	458.34				
2500-RENT	3,510.00	458.34	458.34			3,051.66	13%
REPAIR & MAINTENANCE							
2700-REPAIR & MAINTENANCE	2,400.00					2,400.00	
OTHER EXPENSES							
2809 REGIS FEES FOR TRAINING CONFER		413.50	413.50				
2300-OTHER EXPENSES	3,495.00	413.50	413.50			3,081.50	12%
2000 -OPERATING EXPENSES	101,857.00	1,459.54	1,459.54		6,062.50	94,334.96	7%
* * EQUIPMENT							
EQUIPMENT							
3100-EQUIPMENT	3,500.00					3,500.00	

REPORT PAGE NO. 3 OF 3
CONSECUTIVE PAGE NO. 6947
SBAS FORM 662
REPORT 3366.01
RECORD FOR AGENCY 5801

STATE OF MONTANA
REPORTING CENTER FINANCIAL REPORT
FOR THE MONTH OF: JULY, 1982
CENTER 85 - HELENA BASED APPR ROLL-UP

REPORT DATE: 08/06/82
HELENA BASED APPR ROLL-UP
W. GROEPPER
ROOM 426 MITCHELL BLDG
SUMMARY
PERCENT ELAPSED TIME: YTD 8% (PAYROLLS 7%)

PART B - OBJECT SUMMARY
EXPENSES

3000 -EQUIPMENT

* * * -TOTAL FOR EXPENSES

PART C - FUNDING SUMMARY
01100 GENERAL FUND ACCOUNT

EXPENSE

TOTAL - FUNDING SUMMARY

INCOME

EXPENSES

BUDGET

3,500.00

421,467.00

BUDGET

421,467.00

CURRENT
MONTH

18,733.84

18,733.84

CURRENT
YEAR

18,733.84

18,733.84

PRIOR
YEAR

PRIOR
YEAR

ENCUMBERED

6,062.50

6,062.50

BALANCE
COM

3,500.00

396,670.66

BALANCE
COL/COM

396,670.66

396,670.66

6%

PART A - SUMMARY OF CENTERS	FY	BUDGET	CURRENT MONTH	CURRENT YEAR	PRIOR YEAR	ENCUMBERED	BALANCE	% COM
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82 - REPORTING COUNTY ASSESSORS								
07/01/82 06/30/83								
BEGINNING BALANCE								
TOTAL INCOME		3,709,769.00	244,504.16	244,504.16			3,465,264.84	7%
1000-TOTAL PERSONAL SERVICES				7,344.48		410.00	605,620.52	1%
2000-TOTAL OPERATING EXPENSES		613,375.00	7,344.48				4,070,885.36	6%
TOTAL EXPENSE		4,323,144.00	251,848.64	251,848.64				
INCOME LESS EXPENSE								
ENDING BALANCE							251,848.64	

83 - REPORTING COUNTY APPRAISERS								
07/01/82 06/30/83								
BEGINNING BALANCE								
TOTAL INCOME		3,414,622.00	197,667.17	197,667.17			3,216,954.83	6%
1000-TOTAL PERSONAL SERVICES				5,880.45			576,539.55	1%
2000-TOTAL OPERATING EXPENSES		582,420.00					963.01	4%
3000-TOTAL EQUIPMENT		1,000.00	26.99					
TOTAL EXPENSE		3,998,042.00	203,584.61	203,584.61			3,794,457.39	5%
INCOME LESS EXPENSE								
ENDING BALANCE							203,584.61	

TOTAL FOR CENTER								
BEGINNING BALANCE								
TOTAL INCOME		8,321,186.00	455,433.25	455,433.25		410.00	7,865,342.75	5%
TOTAL EXPENSE								
INCOME LESS EXPENSE							455,433.25	
ENDING BALANCE								

PART B - OBJECT SUMMARY EXPENSES	BUDGET	CURRENT MONTH	CURRENT YEAR	PRIOR YEAR	ENCUMBERED	BALANCE	% COM
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# * PERSONAL SERVICES SALARIES							
1101 REGULAR		353,110.42	353,110.42				
1102 OVERTIME		7.61	7.61				
1103 SICK LEAV.		41.88	41.88				
1104 VACATION		619.31	619.31				
1113 LONGEVITY		1,783.56	1,783.56				
1121 REGULAR PAY - RETROACTIVE		309.28	309.28				
1123 RETROACTIVE PAY - SICK LEAVE		55.79	55.79				
1100-SALARIES		355,927.85	355,927.85				
HOURLY WAGES		5,762,549.00				5,406,621.15	6%

PART B - OBJECT SUMMARY EXPENSES	BUDGET	CURRENT MONTH	CURRENT YEAR	PRIOR YEAR	ENCUMBERED	BALANCE	% COM
1201 REGULAR		9,050.68	9,050.68				
1213 LONGEVITY		27.93	27.93				
1200-HOURLY WAGES	95,180.00	9,078.61	9,078.61			86,101.39	10%
EMPLOYEE BENEFITS							
1401 FICA		24,456.19	24,456.19				
1402 RETIREMENT - OTHER		22,685.01	22,685.01				
1403 GROUP INSURANCE		25,585.55	25,585.55				
1404 WORKERS COMPENSATION INSUR		1,531.20	1,531.20				
1410 STATE UNEMPLOYMENT TAX		2,906.92	2,906.92				
1400-EMPLOYEE BENEFITS	1,266,662.00	77,164.87	77,164.87			1,189,497.13	6%
1000 -PERSONAL SERVICES	7,124,391.00	442,171.33	442,171.33			6,682,219.67	6%
* OPERATING EXPENSES							
CONTRACTED SERVICES					410.00	407,906.00	
2100-CONTRACTED SERVICES	408,316.00						
SUPPLIES & MATERIALS							
2211 OFFICE		51.21	51.21				
2216 GASOLINE		6.50	6.50				
2231 PHOTOGRAPHIC		218.39	218.39				
2200-SUPPLIES & MATERIALS	204,201.00	276.10	276.10			203,924.90	
COMMUNICATIONS							
2301 TELEPHONE		788.97	788.97				
2302 TELEPHONE - LONG DISTANCE USE		142.11	142.11				
2304 POSTAGE & MAILING		885.65	885.65				
2308 POST OFFICE BOX RENTAL		29.00	29.00				
2300-COMMUNICATIONS	232,491.00	1,845.73	1,845.73			230,645.27	1%
TRAVEL							
2401 IN-STATE PERSONAL CAR MILEAGE		2,119.80	2,119.80				
2407 IN-STATE MEALS		2,214.00	2,214.00				
2408 IN-STATE LODGING		2,587.10	2,587.10				
2400-TRAVEL	201,985.00	6,920.90	6,920.90			195,064.10	3%
RENT							
2502 BUILDINGS		3,603.54	3,603.54				
2500-RENT	31,221.00	3,603.54	3,603.54			27,617.46	12%
REPAIR & MAINTENANCE							
2706 VEHICLES - PASSENGER		533.49	533.49				
2724 OIL		8.17	8.17				
2700-REPAIR & MAINTENANCE	112,842.00	541.66	541.66			112,300.34	
OTHER EXPENSES							
2801 DUES		10.00	10.00				
2802 SUBSCRIPTIONS		27.00	27.00				
2800-OTHER EXPENSES	4,739.00	37.00	37.00			4,702.00	1%
2000 -OPERATING EXPENSES	1,195,795.00	13,224.93	13,224.93		410.00	1,182,160.07	1%

PART B - OBJECT SUMMARY EXPENSES	BUDGET	CURRENT MONTH	CURRENT YEAR	PRIOR YEAR	ENCUMBERED	BALANCE	% COM
* * * EQUIPMENT							
EQUIPMENT							
3112 OFFICE		36.99	36.99			963.01	4%
3100-EQUIPMENT	1,000.00	36.99	36.99			963.01	4%
3000 -EQUIPMENT	1,000.00	36.99	36.99			963.01	4%
* * * -TOTAL FOR EXPENSES	8,321,186.00	455,433.25	455,433.25		410.00	7,865,342.75	5%

PART C - FUNDING SUMMARY	APPROP. REV. EST.	BUDGET	CURRENT MONTH	CURRENT YEAR	PRIOR YEAR	ENCUMBERED	BALANCE	% COL/COM
01100 GENERAL FUND ACCOUNT								
EXPENSE	13179	8,321,186.00	455,433.25	455,433.25		410.00	7,865,342.75	5%

TOTAL - FUNDING SUMMARY								
INCOME								
EXPENSES		8,321,186.00	455,433.25	455,433.25		410.00	7,865,342.75	5%

0082 Property Assessment Helena

(Includes: Intercounty, Industrial and Ag/Timber Property Bureaus)

OPERATING EXPENSES

2100 CONTRACTED SERVICES

2103 Data Processing Services

- a. FY 82 Spent \$ 6,182.00
- b. FY 82 Adjusted \$ 21,976.00
- c. FY 84 Requested \$ 24,693.00
- d. FY 85 Requested \$ 26,175.00

- (1) Intercounty Property Bureau seeks an increase of \$ 5,537.00. \$ 2,537.00 is for upgrading the current centrally assessed computer system and \$ 3,000.00 is for development of an automated unit method of valuation.
- (2) Industrial Property Bureau requests an increase of \$ 4,257.00 for expanding company machinery and equipment files plus incorporation of a marshall and swift replacement cost estimate system.
- (3) The Ag./Timber Bureau needs an increase of \$ 6,000.00 for the timber computerization program. Currently no timber records are in a machine readable format.

2104 Insurance and Bonds

- a. FY 82 Spent - 0 -
- b. FY 82 Adjusted \$ 250.00
- c. FY 84 Requested \$ 281.00
- d. FY 85 Requested \$ 298.00

Vehicle liability insurance.

2110 Printing

- a. FY 82 Spent \$ 4,634.00
- b. FY 82 Adjusted \$ 1,601.00
- c. FY 84 Requested \$ 1,799.00
- d. FY 85 Requested \$ 1,907.00

Intercounty Bureau anticipates an increase from \$ 792.00 to \$ 1,000.00 for taxpayer reporting forms.

The Ag./Timber Bureau proposes to reduce its annual printing requirements from \$ 3,740.00 to \$ 500.00. (Printing will be handled in the Appraisal Field fund).

2200 Supplies and Materials, (in CAPS)

2213 Professional (Aerial Photos)

Ag./Timber Bureau spent \$ 47,450.00 for aerial photos in FY 82. ~~This was a one time expense so no money is requested for the 84-85 biennium. This expense should be anticipated once every biennium.~~

Aerial photo funding requests for FY 84 and FY 85 are included in 00081, Appraisal Field fund.

2216 Gasoline

a.	FY 82 Spent	\$ 1,546.00
b.	FY 82 Adjusted	\$ 5,004.00
c.	FY 84 Requested	\$ 5,350.00
d.	FY 85 Requested	\$ 5,939.00

Industrial Bureau requests an increase from \$ 790.00 to \$ 3,000.00 for two additional cars bought in FY 82.

Ag./Timber Bureau needs an increase from \$ 753.00 to \$ 2,000.00 for their car. This reflects increased travel anticipated once new values are adopted and reappraisal hits full stride.

2224 Maps, Charts and Pamphlets - no change from FY 82 to 84-85 biennium. The Ag./Timber Bureau spent \$ 2,350.00 in FY 82 and would like that amount (plus inflation) for the 84-85 biennium.

2225 Books and Reference Materials - no change from FY 82 to 84-85 biennium.

Intercounty Bureau needs	\$ 106.00
Industrial Bureau needs	\$ 1,174.00
Ag./Timber Bureau needs	\$ 20.00
Total (Before inflation)	\$ 1,300.00

2300 COMMUNICATIONS

2301 Telephone - Local Service and Equipment

a.	FY 82 Spent	\$ 131.00
b.	FY 82 Adjusted	\$ 360.00
c.	FY 84 Requested	\$ 248.00
d.	Fy 85 Requested	\$ 290.00

Industrial Bureau needs telephone funding for its Billings office. This office was only in operation a few months in FY-82.

2302 Telephone - Long Distance

a.	FY 82 Spent	\$ 354.00
b.	FY 82 Adjusted	\$ 578.00
c.	FY 84 Requested	\$ 625.00
d.	FY 84 Requested	\$ 663.00

Industrial Bureau - Billings office telephone requirement
This office was only in operation a few months in FY-82.

2304 Postage and Mailing

a.	FY 82 Spent	\$ 28.00
b.	FY 82 Adjusted	\$ 303.00
c.	FY 84 Requested	\$ 312.00
d.	FY 85 Requested	\$ 349.00

Industrial Bureau requests expanded funding for Billings office mailings. This office was only in operation a few months in FY-82.

2400 TRAVEL

2401 In-State Personal Car Mileage

- a. FY 82 Spent \$ 888.00
- b. FY 82 Adjusted \$ 369.00
- c. FY 84 Requested \$ 414.00
- d. FY 85 Requested \$ 439.00

Industrial Bureau reduced its request from \$ 718.00 to \$ 200.00 with the FY 82 purchase of two cars.

2402 In-State Commercial Transport

- a. FY 82 Spent \$ 116.00
- b. FY 82 Adjusted \$ 1,400.00
- c. FY 84 Requested \$ 1,573.00
- d. FY 85 Requested \$ 1,667.00

The Industrial Bureau requests more air travel to save time and reduce meal and lodging costs. Air travel frequently is more cost effective than driving. This will only be used when it is cost effective.

2404 In-state Motor Pool

- a. FY 82 Spent \$ 2,826.00
- b. FY 82 Adjusted \$ 2,318.00
- c. FY 84 Requested \$ 2,604.00
- d. FY 85 Requested \$ 2,760.00

Industrial Bureau has reduced its requirement from \$ 2,718.00 to \$ 500.00 with its two new cars.

The Ag./Timber Bureau has asked for an increase from \$ 50.00 to \$ 1,760.00 to accommodate timber activity travel (including mapping technicians).

2407 In-state Meals

- a. FY 82 Spent- \$ 5,862.00
- b. FY 82 Adjusted \$ 16,342.00
- c. FY 84 Requested \$ 16,242.00
- d. FY 85 Requested \$ 16,242.00

- (1) Intercounty Bureau request remains unchanged at \$ 616.00
- (2) Industrial Bureau requests an increase from \$ 4,331.00 to \$ 12,636.00 for 6 field appraisers.
- (3) Ag./Timber Bureau seeks to increase meals from \$ 915.00 to \$ 2,990.00 because 2 Bureau personnel are expected to travel 50% of the time.

2408 In-state Lodging

- a. FY 82 Spent \$ 8,185.00
- b. FY 82 Adjusted \$ 28,172.00
- c. FY 84 Requested \$ 28,172.00
- d. FY 85 Requested \$ 28,172.00

- (1) Intercounty Bureau would like to maintain its budget of \$ 708.00.
- (2) Industrial Bureau requests to increase from \$ 6,465.00 to \$ 22,464.00 for 6 field appraisers.
- (3) Ag./Timber Bureau seeks an increase from \$ 1,012.00 to \$ 5,000.00 for additional travel plans.

2412 Out-of-State Commercial Transportation

- a. FY 82 Spent \$ 1,208.00
- b. FY 82 Adjusted \$ 1,608.00
- c. FY 84 Requested \$ 1,806.00
- d. FY 85 Requested \$ 1,914.00

The Intercounty Bureau requests \$ 1,608.00 (\$ 1,208.00 + \$ 400.00) for the Bureau Chief and the tax appraisal specialist. Travel is for training that is not available in state; primarily for attendance of regional seminar, comparing system values and methods of appraising centrally assessed property.

2417 Out-of-State Meals

- a. FY 82 Spent \$ 1,256.00
- b. FY 82 Adjusted \$ 2,329.00
- c. FY 84 Requested \$ 2,329.00
- d. FY 85 Requested \$ 2,329.00

- (1) The Intercounty Bureau would like an increase from \$ 620.00 to \$ 829.00 for the tax appraisal specialist.
- (2) Industrial Bureau requests an increase from \$ 637.00 to \$ 1,500.00 for additional appraisers traveling on appraisals and company record audits.

2418 Out-of-State Lodging

- a. FY 82 Spent \$ 67.00
- b. FY 82 Adjusted \$ 4,688.00
- c. FY 84 Requested \$ 4,688.00
- d. FY 85 Requested \$ 4,688.00

- (1) Intercounty Bureau is asking for \$ 1,388.00 for out-of-state work requirements.
- (2) Industrial Bureau requests an increase from \$ 1,099 to \$ 3,300 for out-of-state appraisals and company record audits.

2419 Out-of-State Car Rental

- a. FY 82 Spent \$ 1,422.00
- b. FY 82 Adjusted \$ 392.00
- c. FY 84 Requested \$ 441.00
- d. FY 85 Requested \$ 467.00

Intercounty Bureau requests \$ 392.00 for car rental when out of state.

2500 RENT

2502 The Industrial Bureau requests \$ 2,750.00 per year for rent of existing office space in Billings.

2516 The Ag./Timber Bureau requests \$ 45.00 for meeting room rent for training seminars.

2700 REPAIRS and MAINTENANCE

2704 Office Equipment

- a. FY 82 Spent \$ 87.00
- b. FY 82 Adjusted \$ 498.00
- c. FY 84 Requested \$ 560.00
- d. FY 85 Requested \$ 594.00

Industrial Bureau requests \$ 450.00 for maintenance of calculators and copy machine in Billings.

2706 Vehicles

a.	FY 82 Spent	\$ 611.00
b.	FY 82 Adjusted	\$ 884.00
c.	FY 84 Requested	\$ 993.00
d.	FY 85 Requested	\$ 1,053.00

The Industrial Bureau has three vehicles to maintain.

The Ag./Timber Bureau has 1 car to maintain.

All of the remaining repair and maintenance third-level items and their associated funding requests apply to the four vehicles in the Industrial and Ag./Timber Bureaus.

2800 OTHER EXPENSES

2802 Subscriptions - there is no requested increase for subscription funds (\$ 2,688.00) over what was actually spent in FY 82. (Intercounty - \$ 1,300.00, Industrial - \$ 1,368.00, Ag./Timber \$ 20.00)

2809 Registration Fees for Training Conferences
Twelve FTE at \$ 90.00 each is \$ 1,080.00 as requested for FY 84 and FY 85.

3000 EQUIPMENT

Requested FY 84:

Intercounty Bureau	\$ 442.00	(this was eliminated)
Industrial Bureau	\$ 1,400.00	
Ag./Timber Bureau	\$ 200.00	
Total FY 84 Request	\$ 1,600.00	

Requested FY 85

Intercounty Bureau	\$ 442.00	(this was eliminated)
Industrial Bureau		
Office	\$ 1,400.00	
Automobile	\$ 8,020.00	
Ag./Timber Bureau	\$ 200.00	
Total Request	\$ 9,620.00	

Industrial Bureau wishes to replace borrowed equipment in Billings office and existing vehicle purchased new in 1975.

BIENNIUM 84-85 BUDGET REQUEST
THIRD LEVEL EXPLANATIONS

00081 PROPERTY ASSESSORS AND APPRAISERS

OPERATING EXPENSES

2100 Contracted Services

2101 Appraiser fees

a. FY'82 spent -0- c. FY'84 requested \$7,579.00
b. FY'82 adjusted \$6,745.00 d. FY'85 requested \$8,034.00
The FY'82 adjusted amount and FY'84 and 85 requested amounts are for appraisal services rendered by the County Sheriff in Petroleum County.

2102 Consulting and Professional Services (programming)

a. FY'82 spent \$46,987.00 c. FY'84 requested \$19,038.00
b. FY'82 adjusted \$16,943.00 d. FY'85 requested \$20,180.00
Yellowstone assessor incurred \$29,909 in FY'82 for DP consulting. This is reduced to zero. Assessors in Big Horn, Lewis and Clark and Musselshell Counties request funds for these data processing development consultations. *Also includes \$9,000.00 for operation of the Petroleum Assessors office.*

2103 Data Processing Services

a. FY'82 spent \$314,342
b. FY'82 adjusted \$335,410
1. Assessors \$246,194.00
2. Appraisers 27,216.00
3. Area Managers 2,400.00
4. Appraisal Field Fund 59,600.00
c. FY'84 requested \$585,061
d. FY'85 requested \$399,479

Many counties have implemented or are implementing computer systems which require the participation of both assessors and appraisers. Reappraisal requires computer assistance as reflected in the appraisal field fund request. Area managers request funds for the generation of special reports to monitor reappraisal progress in their respective areas.

2104 Insurance and Bonds

a. FY'82 spent \$45.00 c. FY'84 requested \$2,247.00
b. FY'82 adjusted \$2,000.00 d. FY'85 requested \$2,382.00

Eight area managers have state cars assigned to them which require insurance at \$250.00 each.

2110 Printing

a. FY'82 spent	\$119,734.00	c. FY'84 requested	\$175,808.00
b. FY'82 adjusted	\$153,442.00	d. FY'85 requested	\$182,752.00

Almost all of the assessor and appraisal offices have printing requirements for a variety of forms. The increase reflects a funding shift from the personal and res/comm property Bureaus which previously paid for many of the forms used in the county offices. The bulk of these forms are standard forms used throughout all 56 counties.

2129 Film Services - *DEVELOPMENT*

a. FY'82 spent	\$601.00	c. FY'84 requested	\$6,929.00
b. FY'82 adjusted	\$6,167.00	d. FY'85 requested	\$7,345.00

Photographs are taken of much of the assessed and appraised property throughout the State for better, more accurate records. The increased request reflects our need to have photographs of buildings, farm equipment, industrial property, etc. in the record files for better response to taxpayers and in the case of tax appeals.

2144 Microfilm Services (developing)

a. FY'82 spent	\$3,492.00	c. FY'84 requested	\$734.00
b. FY'82 adjusted	\$653.00	d. FY'85 requested	\$778.00

A sizeable reduction in microfilming requirements is a result of the implementation of computers to store records of property assessments.

2200 SUPPLIES AND MATERIALS

2211 Office Supplies

a. FY'82 spent	\$53,050.00	c. FY'84 requested	\$82,745.00
b. FY'82 adjusted	\$73,642.00	d. FY'85 requested	\$87,710.00

The increased request for office supply funds is for assessor supplies - addressograph plates, ribbons, computer supplies, paper, diskettes, etc. There is no significant request for increase for appraisal offices, area managers or the appraisal field fund.

2212 Photo and Reproduction

a. FY'82 spent	\$15,711.00	c. FY'84 requested	\$21,458.00
b. FY'82 adjusted	\$19,097.00	d. FY'85 requested	\$22,745.00

The increase in the adjusted amount represents anticipated increases in photo copier use and associated supplies; i.e. paper, toner, etc. Both assessors and appraisers are anticipating increased costs in this area.

2213 Professional

a. FY'82 spent	\$39.00	c. FY'84 requested \$11,279.00
b. FY'82 adjusted \$10,039.00		d. FY'85 requested \$11,956.00

The increased request for professional supplies is for aerial photographs to be purchased through the appraisal field fund. These were previously purchased through the Ag/Timber Bureau as they became available for the various counties. FY'82 expenditure was approximately \$47,000. This approach would spread that cost over a 5 year cycle. *LEA included \$11,236.00 for this in 00082.*

2215 Gasoline

a. FY'82 spent	\$44,025.00	c. FY'84 requested \$109,315.00
b. FY'82 adjusted \$102,240.00		d. FY'85 requested \$121,340.00

County appraisers and the appraiser field fund (timber) are the requestors for additional gasoline funds. Additional appraisers, additional vehicles and increased appraisal production requirements are the reasons for needing more gasoline.

2225 Books and Reference Materials

a. FY'82 spent	\$22,383.00	c. FY'84 requested \$85,131.00
b. FY'82 adjusted \$75,766.00		d. FY'85 requested \$90,239.00

The assessors fund increase request is from \$17,317 to \$70,620 for additional "Green Guides" and aircraft bluebooks. Only 15 of 56 county assessors have been receiving "Green Guides". Statutes currently require use of 18 different guidebooks for each county.

Assessor Guide Books

Official Guide for Tractors and Farm Equipment

NADA Official Used Car Guide

The Truck Blue Book

Aircraft Bluebook Price Digest

Green Guides

for Older Equipment

Volume 1

Volume 2

Off Highway Trucks and Trailers

Lift Trucks

Electric Lift Trucks

Bluebook for Motorcycles and Minibikes

Bluebook for Pontoon and Houseboats

Bluebook for Inboard/Outboard Boat Trade-In Guide

Bluebook for Outboard Boat Trade-In Guides

Bluebook for Sailboat Trade-In Guides

Bluebook for Inboard Boat Trade-In Guides

Bluebook for Boat Trailer Trade-In Guide

Bluebook for Boat Motor Trade-In Guide

- 2231 Photograph Supplies - *Film*
a. FY'82 spent \$6,485.00 c. FY'84 requested \$17,938.00
b. FY'82 adjusted \$15,965.00 d. FY'85 requested \$19,014.00

Additional funding for film is being requested for county appraisal personnel to take pictures of buildings being appraised.

- 2239 Microfilm Supplies (film)
a. FY'82 spent \$1,575.00 c. FY'84 requested \$2,761.00
b. FY'82 adjusted \$2,458.00 d. FY'85 requested \$2,927.00

Some assessor offices which do not have computerized files utilize microfilming for records. These offices seek the increase in microfilm supply funds.

2300 COMMUNICATIONS

- 2301 Telephone - Local Service and Equipment
a. FY'82 spent \$42,629.00 c. FY'84 requested \$63,506.00
b. FY'82 adjusted \$46,019.00 d. FY'85 requested \$76,207.00

Many counties are installing centralized switchboard telephone systems. Conversion of assessor and appraisal offices to these systems is the reason for the increase request in 82. FY'84 and '85 reflect anticipated increases in rates.

- 2302 Telephone - Long Distance Use
a. FY'82 spent \$30,892.00 c. FY'84 requested \$46,600.00
b. FY'82 adjusted \$43,100.00 d. FY'85 requested \$49,396.00

Area managers are expected to require additional funds for long-distance calls which weren't reflected in FY'82.

- 2304 Postage and Mailing
a. FY'82 spent \$114,672.00 c. FY'84 requested \$161,549.00
b. FY'82 adjusted \$156,844.00 d. FY'85 requested \$180,935.00

Area managers, assessors and appraisers all anticipate substantially more mailings as the reappraisal project continues to gain momentum, particularly for data collection forms, appraisal progress reports, etc.

- 2314 Telephone - STS Usage
a. FY'82 spent \$4,139.00 c. FY'84 Requested \$7,057.00
b. FY'82 adjusted \$4,410.00 d. FY'85 requested \$8,468.00

Seven appraisal offices have STS lines; Silver Bow, Cascade, Yellowstone, Missoula, Lewis & Clark, Flathead and Hill. These offices have asked for increases to maintain these lines.

2400 TRAVEL

2401 In-State Personal Car Mileage

- a. FY'82 spent \$41,581.00
- b. FY'82 adjusted \$112,684.00
 - 1. Assessors \$43,282.00
 - 2. Appraisers 69,402.00
 - 3. Area Managers -0-
- c. FY'84 requested \$126,612.00
- d. FY'85 requested \$134,209.00

Assessor and appraisers are requesting additional funding for field inspections of property.

2407 In-State Meals

- a. FY'82 spent \$37,617.00
- b. FY'82 adjusted \$68,964.00
 - 1. Assessors \$26,666.00
 - 2. Appraisers 32,002.00
 - 3. Area Managers 15,656.00
- c. FY'84 requested \$68,964.00
- d. FY'85 requested \$68,964.00

All components are requesting additional funds for more anticipated travel.

2408 In-State Lodging

- a. FY'82 spent \$26,666.00
- b. FY'82 adjusted \$67,821.00
 - 1. Assessors \$14,400.00
 - 2. Appraisers 35,565.00
 - 3. Area Managers 17,856.00
- c. FY'84 requested \$67,821.00
- d. FY'85 requested \$67,821.00

All components are requesting additional funds for more anticipated travel.

2500

RENT

- 2502 Buildings - Appraisal Office Space in Custer, Gallatin, Prairie and Wibaux Counties is unavailable in county buildings and must be rented. FY'82 adjusted \$20,912.00.

- 2503 Data Processing Equipment

2412, 2417, 2418 OUT-OF-STATE TRAVEL FOR AREA MANAGERS TO ATTEND SPECIAL APPRAISAL SCHOOLS NOT OFFERED IN-STATE.

Assessors in several counties are required to rent D.P. equipment to be compatible with county systems. FY'82 adjusted \$1,573.00

2516 Meeting Rooms - \$500.00 is requested for the assessors field fund to accommodate a variety of meetings.

2600 UTILITIES

The Division must pay utilities for appraisal office rentals. FY'82 spent \$814.00.

2700 REPAIR AND MAINTENANCE

2704 Office Equipment

a. FY'82 spent	\$49,189.00	c. FY'84 requested	\$23,620.00
b. FY'82 adjusted	\$21,022.00	d. FY'85 requested	\$25,037.00

The reduction from "spent" to "adjusted" represents a shift of expense charges to 2750, maintenance contracts, where we anticipate charges for computer and typewriter maintenance contracts to be incurred.

2750 Maintenance Contracts

a. FY'82 spent -0- (new account)	c. FY'84 requested	\$91,088.00	
b. FY'82 adjusted	\$81,068.00	d. FY'85 requested	\$96,553.00

This is a new expenditure identification entity which we expect will be used primarily for our share of maintenance on county computer systems. We have seen about 30 counties put in new systems in the past several years.

2706-2727 Vehicle Maintenance

The funding requests for these items represent the need to maintain the vehicle fleet assigned to area managers and appraisal offices.

3000 EQUIPMENT

3103 Autos and Trucks

FY'84

Cars - 11 at \$7,490	\$ 82,390.00
Trucks - 6 with propane at \$9,100.00	54,600.00
6 without propane at \$8,350.00	<u>50,100.00</u>
(Propane conversion \$750.00)	
Total	\$187,090.00

FY'85

Cars - 12 at \$8,020.00	\$ 96,240.00
Trucks - 11 at \$9,737.00	<u>107,107.00</u>
Total	\$203,347.00

3112 Office Equipment

\$78,000.00 requested for each fiscal year

Assessors - \$42,900.00 per year

Calculator replacement	58/year at \$ 200.00	\$11,600.00
Typewriter replacement	25/year at \$ 900.00	22,500.00
Copiers	5/year at \$1,260.00	6,300.00
Chairs	25/year at \$ 100.00	<u>2,500.00</u>
Total		\$42,900.00

Appraisers - \$35,100.00 per year

Calculator replacement	60/year at \$ 200.00	\$12,000.00
Typewriter replacement	20/year at \$ 900.00	18,000.00
Chairs, Tables, Desks, Cameras		<u>5,100.00</u>
Total		\$35,100.00

Don Benson

From Cliff Roesser

exhibit 16
2/16/83

LFI FTE RELATIONSHIP RECOMMENDATION

Positions Deleted

Helena Appraiser Bureau

08915 1.00 MARY WHITTINGHILL - Intercountry

Assessor + Appraiser Offices

08062 1.00 STEVE POPPE YELLOWSTONE APPRAISER

08314 1.00 GARY BAXTER TETON APPRAISER

08392 1.00 CLARENCE RICH GARFIELD APPRAISER

08395 1.00 JAMES HOFFLAND JEFFERSON APPRAISER

08159 1.00 DEBORAH BREWSTER FLATHEAD ASSESSOR

90009 1.00 FLATHEAD ASSESSOR

90059 .17 DELETED

90071 0.00 DELETED

08324 0.50 MYRNA GIESSEL LIBERTY APPRAISER

08347 1.00 LORETTA POWELL GLACIER APPRAISER

08370 1.00 HEATHER MOON PRAIRIE APPRAISER

Administration

90082 1.00 DELETED

90083 1.00 DELETED

90080 1.00 DELETED

90065 1.14 now 1.0 Clerk App 2 Admin / Industrial

COUNTY COMPUTERIZATION

This is a priority-ordered list of counties which are in varying stages of computer system implementation. We have expressed our support for automation efforts in these counties with the contingency that we will provide a fair share of the cost of these systems if our funding request for this purpose is granted by the Legislature.

<u>COUNTY</u>	<u>STATUS</u>	<u>ONE TIME COST</u>
Broadwater	in operation	\$16,660.00
Carbon	in operation	11,725.00
Glacier	in operation	18,100.00
Pondera	in operation	16,600.00
Roosevelt	in operation	20,600.00
Hill	in operation	25,822.00
Toole	in operation	16,660.00
Teton	in operation	5,000.00
Daniels	in operation	10,845.00
Fallon	on Bid	20,600.00
Blaine	in operation	20,600.00
Liberty	in operation	12,465.00
Powder River	on Bid	12,517.00
Chouteau	in operation	16,600.00
Custer	on Bid	20,600.00
Dawson	in operation	30,621.00
Fergus	awaiting revenue support	30,621.00
Jefferson	awaiting revenue support	20,600.00
Lake	awaiting revenue support	30,621.00
Park	awaiting revenue support	30,621.00
<u>Ravalli</u>	on Bid	30,621.00
Sheridan	in operation	9,582.00
Garfield	awaiting revenue support	19,160.00
Madison	awaiting revenue support	16,660.00
Musselshell	awaiting revenue support	20,600.00
Powell	awaiting revenue support	20,600.00
Beaverhead	awaiting revenue support	26,119.00

rh5

02/10/83 1972

RESIDENTIAL COST COMPUTATION SHEET

PAGE 28

RECORD KEY 02245713219280001

COUNTY 02 TOWNSHIP 2457 SECTION 13 QUARTER 2 BLOCK 19 LOT 28

LAND APPRAISED 05/82

	F-FIG	U-PRICE	O-FACT	VALUE	TOTAL
FF 60 X 100 BACK 0	60	5.00	1.00	300	
APPRAISED VALUE					300

RESIDENCE, GRADE SFR F6 +10 %

	AREA	RATE	GRADE VAR	COST	TOTAL
FIRST STORY	1000	15.82	1.10	17,402	
UPPER STORIES, 1	1000	7.59	1.10	8,349	
BASEMENT	1000	2.99	1.10	3,289	
FINISHED BASEMENT, +20%	1000	2.47	1.30	3,211	
HEATING, ELECT EBB	3000	0.52	1.10	1,716	
CENTRAL AIR COOLING	3000	1.34	1.10	4,422	
PLUMBING, ADD OR DEDUCT		1399	1.10	1,539	
FIREPLACES, ADD		3,296	1.10	3,626	
DECKS/PATIOS, 300	300	3.25	1.10	1,073	
OPEN PORCHES, 300	300	4.51	1.10	1,488	
ENCLOSED PORCHES, 100	100	6.55	1.10	721	
ATTACHED GARAGES, 400	400	4.81	1.10	2,116	
FLAT ADD				2,000	

REPLACEMENT COST NEW

50,952

PHYSICAL VALUE AFTER DEPRECIATION OF

10%

45,857

FUNCTIONAL VALUE AFTER OBSOLESCENCE OF

0%

45,857

ECONOMIC VALUE AFTER OBSOLESCENCE OF

0%

45,857

APPRAISED VALUE

45,857

SWIMMING POOL, GRD F6

	AREA	RATE	GRADE VAR	COST	VALUE
BASE	600	8.80	1.00	5,280	

REPLACEMENT COST NEW

5,280

PHYSICAL VALUE AFTER DEPRECIATION OF

19%

4,277

APPRAISED VALUE

4,277

APPRAISED VALUE FLAT

0

CONCRETE PAVING

	AREA	RATE	GRADE VAR	COST	TOTAL
BASE	600	0.55	1.00	330	

REPLACEMENT COST NEW

0

APPRAISED VALUE FLAT

5,000

SUMMARY OF VALUE

	APPRAISED	TAXABLE
TOTAL IMPROVEMENTS	\$55,134	\$4,713
TOTAL LAND	\$300	\$25
TOTAL PROPERTY	\$55,434	\$4,739

exhibit 19
2/16/83

exhibit 19
2/16/83

Dept of Revenue
Report of the

exhibit 20
2/16/83

Additional Staffing Requirements for Reappraisal

RESIDENTIAL PROPERTY:

12/1/82

2/1/83

Total Residential (includes Mobile Homes)	286,399	289,129
Residentials Completed	<u>68,762</u>	<u>66,841</u>
Residentials Remaining	217,637	222,288

217,637 parcels at 10 parcels/day = 21,764 Appraiser Days

222,288 parcels at 10 parcels/day = 22,229 Appraiser Days

COMMERCIAL PROPERTY:

Total Commercials	39,654	43,004
Commercials Completed	<u>8,224</u>	<u>7,948</u>
Commercials Remaining	31,430	35,056

31,430 parcels at 2 parcels/day = 15,715 Appraiser Days

35,056 parcels at 2 parcels/day = 17,528 Appraiser Days

AGRICULTURAL PROPERTY:

Total Farmsteads	49,249	49,627
Farmsteads Completed	<u>9,544</u>	<u>9,536</u>
Farmsteads Remaining	39,705	40,091

39,705 parcels at 3 parcels/day = 13,235 Appraiser Days

40,091 parcels at 3 parcels/day = 13,364 Appraiser Days

SUMMARY:

12/1/82

2/1/83

Residential Property Requirement	21,764	22,229 Appraiser Days
Commercial Property Requirement	15,715	17,528 Appraiser Days
Agricultural Property Requirement	<u>13,235</u>	<u>13,364</u> Appraiser Days
Total Property Requirement	50,714	53,121 Appraiser Days

Effective Work Days left in reappraisal cycle as of 1/1/83:

1/1/83 to 1/1/86 is 3.0 years x 208 days/yr = 624 Days

1/1/83 to 7/1/85 is 2.5 years x 208 days/yr = 520 Days

Indicated appraisal staffing to accomplish reappraisal:

50,714 Appraiser Days ÷ 624 Days = 81.3 Appraisers

50,714 Appraiser Days ÷ 520 Days = 97.5 Appraisers

53,121 Appraiser Days ÷ 624 Days = 85.1 Appraisers

53,121 Appraiser Days ÷ 520 Days = 102.2 Appraisers

EXECUTIVE BUDGET PROCESS
DEPARTMENT OF REVENUE
PROPERTY ASSESSMENT DIVISION

I. ADDITIONAL STAFFING REQUIREMENTS

STAFF REQUIREMENTS TO ACCOMPLISH REAPPRAISAL

RESIDENTIAL PROPERTY:

TOTAL RESIDENTIAL - 292,594
RESIDENTIAL COMPLETED - 30,301
262,293

262,293 PARCELS ÷ 10 PARCELS/DAY = 26,229 APPRAISER DAYS

COMMERCIAL PROPERTY:

TOTAL COMMERCIAL - 37,758
COMMERCIALS COMPLETED - 4,139
COMMERCIALS REMAINING - 33,619

33,619 PARCELS ÷ 2 PARCELS/DAY = 16,810 APPRAISER DAYS

AGRICULTURAL PROPERTY:

TOTAL FARMSTEADS - 49,139
FARMSTEADS COMPLETED - 3,938
FARMSTEADS REMAINING - 45,201

45,201 PARCELS ÷ 3 PARCELS/DAY = *15,067 APPRAISER DAYS

*CONTINGENT UPON FARMSTEAD AND AGRICULTURAL LAND COMPLETIONS BEING DIRECTLY PROPORTIONAL.

SUMMARY:

RESIDENTIAL PROPERTY REQUIREMENT - 26,229 APPRAISER DAYS
COMMERCIAL PROPERTY REQUIREMENT - 16,810 APPRAISER DAYS
AGRICULTURAL PROPERTY REQUIREMENT - 15,067 APPRAISER DAYS
TOTAL PROPERTY REQUIREMENT 58,106 APPRAISER DAYS

EFFECTIVE WORK DAYS LEFT IN REAPPRAISAL CYCLE:

*208 DAY/YEAR X 3 YEARS = 624 DAYS 7/1/52 70 7/1/55

*PURSUANT TO RESEARCH AND INFORMATION DIVISION PRODUCTIVITY ANALYSIS

INDICATED APPRAISAL STAFFING TO ACCOMPLISH REAPPRAISAL:

58,106 APPRAISER DAYS ÷ 624 DAYS = 93.1 APPRAISERS

PRESENT APPRAISAL STAFF LEVEL : 111 APPRAISERS

STAFF REQUIREMENTS TO ACCOMPLISH BASIC TASKS
OTHER THAN REAPPRAISAL

VARIANCE ITEM

APPRAISER DAYS LOST

APPEALS

CASCADE	700+	208
FLATHEAD	500+	156
YELLOWSTONE	500+	156
MISSOULA	300+	190
SILVER BOW	100+	52
GALLATIN	100+	52
LEWIS & CLARK	100+	52
OTHER COUNTIES	700+	400

TOTAL: 1266 DAYS

REAL ESTATE ASSESSMENT LISTS:

30 DAYS/COUNTY

1680 DAYS

CERTIFICATION:

EXAM - 40 HOURS (EACH AREA - RES., COMM., AG)
NARRATIVE REPORT - RESIDENTIAL 40 HOURS
COMMERCIAL 80 HOURS
AGRICULTURAL 80 HOURS

28 APPRAISERS @ 80 HOURS EA. (EXAM & REPORT)	= 2240 HOURS
11 APPRAISERS @ 40 HOURS EA. (RES. REPORT)	= 440 HOURS
14 APPRAISERS @ 120 HOURS EA. (EXAM & REPORT)	= 1680 HOURS
10 APPRAISERS @ 80 HOURS EA. (COMM. & REPORT)	= 800 HOURS
10 APPRAISERS @ 120 HOURS EA. (EXAM & REPORT)	= 1200 HOURS
10 APPRAISERS @ 80 HOURS EA. (AG. REPORT)	= 800 HOURS
	<u>7160 HOURS</u>

7160 HOURS ÷ 8 HOURS/DAY =

895 DAYS

SPECIAL PROJECTS

34% RESOLUTION	
(INC. 12% REDUCTION STATEWIDE; STIPULATIONS, ETC.)	1675 DAYS
NEW INDUSTRY VERIFICATION (½ DAY/COUNTY)	28 DAYS
TAX VERIFICATION (12 DAYS/COUNTY; 1 DAY/MONTH)	672 DAYS
SALES VERIFICATION (12 DAYS/COUNTY; 1 DAY/MONTH)	672 DAYS
HIRING PROCEDURE (2 DAYS/COUNTY)	112 DAYS
RESOLVING TAXPAYER COMPLAINTS THAT HAVE ESCALATED TO STATE LEVEL (2 DAYS/COUNTY)	112 DAYS

VEHICLE PROBLEMS

8 DAYS/COUNTY

448 DAYS

WEATHER

20 DAYS/COUNTY

1120 DAYS

TOTAL APPRAISER DAYS LOST	8680 DAYS
EFFECTIVE APPRAISER DAYS PER APPRAISER PER YEAR	208 DAYS
TOTAL APPRAISERS WORKING ON ITEMS OTHER THAN REAPPRAISAL. .	41.7

NOTE:

1. Cascade Co. - 1 Position vacant as of 7/1/82 - still open
1 Position vacant 1.5 months
2. Custer Co. - 2 Positions were vacant for 1.5 months each
3. Hill Co. - 1 Position was vacant twice during this time frame -
once for 3 months - once for 1 month
4. Jefferson Co. - This 1 position was vacant twice during this time
frame - once for 1.75 months - once for 4.50 months
5. Missoula Co. - 2 Positions were vacant for 2 months each.
6. Park Co. - 2 Positions were vacant during this time frame
1 Position was vacant twice during this time frame -
once for 3.25 months - once for 1.75 months
The other position was vacant for 5 months
7. Silver Bow Co. - 1 Position vacant 1 month
1 Position vacant twice
Once for 1 month
Once for 1.5 months
8. Teton Co. - This 1 position was vacant twice during this time frame -
Once for 3.75 months
Once for 2.75 months
9. Yellowstone Co. - 1 position vacant for 12 months
1 Position vacant for 1.25 months and still vacant

Due to appraiser positions being vacant we lost 103.75 man months or
8.65 man years during this time frame.

AREA MANAGER AND HELENA BASED POSITIONS

1. Area 6 - vacant 1.75 months
 2. Area 2 - Vacant 2.50 months
 3. Area 1 - Vacant 2.50 months
 4. Area 4 - Vacant 3.75 months
 5. Tax Appraisal Specialist III - Vacant 2.25 months
 6. Tax Appraisal Specialist II - Vacant 3.75 months
- Total = 16.50 man months or 1.375 man years.

Dept. of Revenue
Property Assessment Div.

A = This Month
B = To Date
C = Remaining

Office Work Compilation as of: 9/1/82

Hours

Area	Residential			Commercial			Farmsteads			Lots and Tracts			Agricultural Land			Mapping			Mobile Homes		
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C
1	192	1,296	3,443	0	262	4,249	363	948	5,503	0	0	5,280	0	21	2,251	4	374	3,991	Included in Residential		
2	127	557	2,221	108	656	2,947	63	949	3,517	32	381	1,650	77	703	5,243	203	7,426	7,139	0	64	408
3	584	1,462	51,623	86	344	28,391	43	123	4,819	32	550	16,813	26	590	36,574	304	344	19,537	Included in Residential		
4	390	877	8,183	297	677	14,068	62	172	5,213	25	65	1,155	100	244	24,350	161	1,325	1,189	Included in Residential		
5	293.5	1,093.5	16,353.5	197	842	12,576	82	182	16,264	73	548	27,207	78	208	5,704	155	8,605	23,629	59.5	169.5	3,538.5
6	551.5	3,148.5	27,719.5	198	2,103	10,049	88	456	13,036	205	505	10,001	2	502	1,290	10	206	7,123	30.5	259	4,400.5
7	1,453	7,813	29,503	322	1,932	14,083	60	817	9,445	144	1,282	10,363	8	127	11,945	354	1,048	26,490	Included in Residential		
8	168.5	802.5	3,310.5	115	306	2,185	74	277.5	3,491.5	74	339	2,185	116	1069	17,069	27	1,274	1,421	53	60	1,135
Totals			142,356.5			88,548			61,283.5			74,654			104,426			90,519			9,482

571,282
78.5

	LICENSE NUMBER	YEAR	COUNTY LOCATION	TOTAL MILES
73	5536	1982	Carbon	1,992
76	5539	1982	Gallatin	3,145
82	5548	1982	Lincoln	3,301
80	5546	1982	Lake	3,517
68	5504	1982	Custer	3,755
81	5547	1982	Dawson	3,838
66	5501	1982	Granite	4,234
65	5490	1982	Rosebud	4,572
70	5533	1982	Flathead	4,609
79	5545	1982	Lewis & Clark	4,725
83	5549	1982	Silver Bow	4,818
84	5550	1982	Silver Bow	4,818
67	5502	1982	Chouteau	5,230
75	5538	1982	Carter	5,573
72	5535	1982	Beaverhead	5,861
63	5488	1982	Cascade	5,864
77	5503	1982	Teton	6,148
71	5534	1982	Hill	6,214
74	5537	1982	Valley	6,896
69	5505	1982	Daniels	7,191
86	5507	1982	Lewis & Clark	7,584
78	5532	1982	Fergus	7,655
60	4580	1975	Golden Valley	7,844
55	4627	1975	Yellowstone	7,895
85	5506	1982	Lewis & Clark	8,185
54	4625	1975	Wheatland	9,200
64	5489	1982	Missoula	9,259
58	4615	1975	Yellowstone	14,962
56	4611	1975	Yellowstone	16,111
93	5152	1980	Lewis & Clark	31,756
39	4609	1975	Powder River	35,610
24	4594	1975	Judith Basin	37,598
13	4583	1975	Deer Lodge	39,575
57	4620	1975	Yellowstone	42,729
48	4618	1975	Silver Bow	43,754
2	4572	1975	Big Horn	45,615
30	4600	1975	McCone	47,825
43	4613	1975	Richland	49,736
47	4617	1975	Sheridan	50,396
3	4573	1975	Blaine	51,395
19	4588	1975	Richland	51,413
6	4576	1975	Fallon	51,736
90	5146	1980	Missoula	51,852
23	4593	1975	Jefferson	52,278
21	4591	1975	Silver Bow	52,675
89	5147	1980	Carbon	53,044
31	4601	1975	Meagher	53,119
14	4585	1975	Fergus	53,960
17	4587	1975	Gallatin	54,279
94	5153	1980	Lewis & Clark	54,346
28	4598	1975	Lincoln	54,503
11	4581	1975	Garfield	55,521
25	4595	1975	Lake	56,417
52	4622	1975	Toole	56,859
10	4629	1975	Prairie	58,128
33	4603	1975	Missoula	59,496
40	4610	1975	Powell	61,410
91	5151	1980	Chouteau	65,035

Deer Lodge
...

	<u>LICENSE NUMBER</u>	<u>YEAR</u>	<u>COUNTY LOCATION</u>	<u>TOTAL MILES</u>
22	4592	1975	Hill	65,477
1	4571	1975	Silver Bow	65,517
88	5149	1980	Daniels	67,044
32	4602	1975	Mineral	67,093
51	4621	1975	Gallatin	70,378
92	5150	1980	Dawson	71,685
36	4606	1975	Park	75,605
35	4626	1975	Musselshell	75,693
12	4608	1975	Dawson	76,403
62	4634	1975	Helena	77,081
61	4616	1975	Silver Bow	79,362
5	4575	1975	Carbon	80,000
53	4624	1975	Valley	81,112
15	4586	1975	Flathead	82,614
44	4614	1975	Roosevelt	83,997
29	4599	1975	Madison	85,197
87	5148	1980	Lewis & Clark	85,479
8	4578	1975	Cascade	85,607
20	4632	1975	Glacier	88,271
59	4605	1975	Cascade	88,746
27	4579	1975	Lewis & Clark	89,222
18	4597	1975	Gallatin	92,490
46	4590	1975	Sanders	94,272
42	4612	1975	Ravalli	96,814
34	4604	1975	Missoula	98,963
7	4577	1975	Cascade	100,744
16	3976	1975	Flathead	100,924
26	4596	1975	Lewis & Clark	101,222
4	4574	1975	Broadwater	102,170
38	4630	1975	Pondera	107,540
45	4635	1975	Rosebud	108,069
41	4589	1975	Ravalli	108,093
49	4628	1975	Silver Bow	117,442
50	4619	1975	Stillwater	117,442
37	4633	1975	Phillips	120,907
9	4582	1975	Liberty	121,536

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80 - 0

DEPARTMENT OF REVENUE
PROPERTY ASSESSMENT DIVISION
MOTOR VEHICLE REPORT

July - December, 1982

	Savings/Year Using Motor Pool Deprec.	Savings/Year Using Total Recovery	Savings on Col. 1 for Fleet Per Year	Savings on Col. 2 for Fleet Per Year	No. of Vehicles
Coronets	\$842/Car/Yr	\$697/Car/Yr	50,520	41,820	60
Volares	\$2,235/Car/Yr	\$1,711/Car/Yr	17,880	12,688	3
4 x 4 's	\$3,101/PU/Yr	\$2,043/Car/Yr	43,414	28,602	14
4 x 4 's sw/Propane	\$3,382/PU/Yr	\$2,324/PU/Yr	6,764	4,648	2
GMC's	\$1,629/PU/Yr	\$1,024/PU/Yr	9,774	6,144	6
Omegas	\$1,987/Car/Yr	\$446/Car/Yr	<u>3,974</u>	<u>892</u>	2
Totals			132,326	95,794	

DEPARTMENT OF REVENUE
PROPERTY ASSESSMENT DIVISION
MOTOR VEHICLE OPERATING REPORT - SUMMARY

July - December, 1982

	Average M.P.G.	Cost/Mile for Gas	Cost/Mile Total	Cost/Mile Total+Motor Pool, Cost to Recover	Cost/Mile Total+ Cost to Recover	Cost/Mile for Motor Pool
Dodge Coronets County Based	15.08	8.9¢	12.9¢	16.4¢	17.84¢	24.5¢
Volares & 1 Coronet Helena Based + Area Managers	17.67	7.6¢	9.9¢	13.4¢	16.0¢	24.5¢
Dodge 4 x 4 's Gas Powered	19.09	6.9¢	7.5¢	11.0¢	17.4¢	29.75¢
Dodge 4 x 4 's Propane Powered	14.14	5.8¢	5.8¢	5.8¢	15.7¢	29.75¢
Olds. Omegas	24.45	5.7¢	6.3¢	9.8¢	21.2¢	24.5¢
GMC Pickups	25.05	5.2¢	5.3¢	8.8¢	13.7¢	22.0¢

All following figures based on a life of 80,000 miles.

4 x 4 's	= \$ 7,937 ÷ 80,000 =	9.9¢/Mile
GMC's	= \$ 6,710 ÷ 80,000 =	8.4¢/Mile
Omegas	= \$ 9,100 ÷ 80,000 =	11.4¢/Mile
Coronets	= \$ 3,883 ÷ 80,000 =	4.9¢/Mile
Volares	= \$ 4,847 ÷ 80,000 =	6.1¢/Mile

Average Life = 6.75 Years/Vehicle

14 Vehicles/Year need to be replaced + 1/Year for Breakdowns =
15 Vehicles/Year Total

DEPARTMENT OF REVENUE

exhibit 23
2/16/83



TED SCHWINDEN, GOVERNOR

MITCHELL BUILDING

STATE OF MONTANA

HELENA, MONTANA 59620

February 3, 1983

RECEIVED

FEB 3 1983

TO: Ellen Feaver
Director

DIRECTOR
DEPT. OF REVENUE

FROM: Gregg C. Grepper, Administrator
Property Assessment Division

RE: Railroad Lawsuit Appropriation

Based on my records the entire amount of the appropriation for defense of the railroad litigation was \$535,000. According to the January SBAS Reports for the month ending December 31, 1982, we spent:

December	-- \$	8,862	
Year-to-date	-- \$	32,052	
Prior Years	-- \$	91,508	
Balance	--		\$411,440

Our additional anticipated closing expenses would be as follows:

Expert witness Associated Appraisal Analysis	--	\$ 45,000
Expert witness ECO Incorporated	--	\$ 7,700
Department of Justice, attorney fees	--	Approximately \$ 10,000
		anticipated balance available \$378,740

We will have more accurate figures once we get our February SBAS Accounting Reports. Recent relief has been provided airlines under the Tax Equity and Fiscal Responsibility Act in addition to existing relief under the Railroad and Revitalization and Regulatory Reform Act (4-R) (which also applies to leased car companies in areas such as gross receipts tax). My suggestion would be we ask for a continuation of this appropriation through the biennium to deal with "legal issues arising under federal nondiscriminatory taxation acts such as the Tax Equity and Fiscal Responsibility Act, the Railroad Revitalization and Regulatory Reform Act, and any subsequent federal legislation which directs the state to take a nondiscriminatory posture in the taxation of entities doing business within the state". It is intended this appropriation would only be used for attorney fees, expert witnesses and extraordinary expenses associated solely with resolving disputes in these particular areas".

Continuing this appropriation would be to the state's advantage because of the amount of expertise established in the Attorney General's office during the legal preparations for the railroad property tax lawsuits. Denny Moreen and Dan Hoven of the Attorney General's office are now the resident experts in the State of Montana concerning 4-R legislation. It would be a shame to expend the extra state resources to develop in house experts when excellent experts exist in the Justice Department in this particular area.

GG:kc

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